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NEWS SUMMARY

GENERAL
Smith offers terror amnesty

Mr. Ian Smith's Rhodesian Government yesterday offered black nationalist guerrillas an amnesty as part of its internal settlement scheme.

A communiqué issued in Salisbury said that steps had been taken already to inform guerrillas in the bush that if they return in peace their lives will not be in danger.

It was reported unofficially that since the New Year Rhodesian air and land forces have distributed leaflets urging Mozambique and Zambia-based guerrillas to lay down their arms and surrender.

The communiqué did not say what would happen to a surrendering guerrilla suspected of having killed white civilians. Fourteen white civilians have been reported killed in the past 20 days.

However, it said: "The Government intends to pursue this programme with the utmost vigour in order to reduce bloodshed and return the country to normalcy as soon as possible."

The Government is negotiating with Rhodesia-based nationalist parties for a peace settlement based on one-man, one-vote.

Page 11

Skyjacker held

An armed skyjacker who took over an airliner with 42 people on board was overpowered at Karachi last night after a scuffle with Air Marshal Nur Khan, head of the Pakistan International Airline. The Air Marshal was hit in the hip by a bullet.

Packer snubbed

The Australian cricket selectors have ignored Kerry Packer's players and named an inexperienced 15-man team to tour the West Indies next month. In Karachi, the final Test appeared to be heading for a draw. Page 8

Blow to soccer

Snow and ice will affect the weekend soccer programme with Scotland hardest hit. In New York, which was almost at a standstill after blizzards deposited up to 15 inches of snow along parts of the U.S. north-east coast, a bank holiday was declared.

Sunday mail

Sunday postal services may be reintroduced soon, Sir William Barlow, Post Office chairman, said in Leeds yesterday. Page 12

Beer up

Scottish and Newcastle Breweries is to increase some beer prices by 2p a pint on January 30. Other brewery price rises are in the pipeline. Page 12

Dry humour

Mr. James Callaghan, the Prime Minister, invited to test a breathalyzer at a Cardiff factory, said: "It wouldn't really be of any use. I gave up drinking in 1974."

Briefly...

Laws on public safety on pavements and roads are being reviewed by the Government because of the popularity of skateboards. Skateboard standards considered. Page 13

The King and Queen of Spain arrived in Britain last night for a private visit.

Monte Carlo Rally drivers, who set out from seven European centres to-day, face heavy snow in the Alps and elsewhere.

Japanese should help to reduce mounting rice stocks by drinking more sake, Mr. Nakagawa, the Agriculture Minister, urged.

The Soviet Union launched an unmanned space vehicle. Progress to dock with Salyut-6.

A drunken Soviet truck driver has been sentenced to death for moving down a bus queue and killing eight people. It was reported in Moscow.

Arbitrage Shanks 73 + 5
Assted Fisheries 71 + 5
Beecham 282 + 7
Burton 126 + 7
Clark (Matthew) 150 + 18
Dawson Intl. 113 + 8
Eastwood (J. B.) 104 + 6
Gough Cooper 84 + 6
Hall 136 + 16
Harcos Inv. 107 + 24
Rijl Samuel 97 + 3
Wit A 120 + 4
Lebus (Harris) 70 + 6
MEPC 125 + 1
Neill (Jas.) 94 + 4
Newmark (Louis) 176 + 20
Rolter 124 + 6
Stock Conversion 270 + 5

BUSINESS
Equities firm: Wall St. hit by snow

FT Industrial Ordinary Index

490
480
470
16 17 18 19 20

index closed 1.6 up at 487.6 for a week's rise of 6.7.

GILTS recorded losses of 1 in spite of good news about slowing of inflation. The Government Securities index closed 0.13 down at 77.23.

STERLING fell 10 points, closing at \$1.9225. Its trade-weighted average was unchanged at 66.1. The dollar lost ground in early trading and its depreciation widened to 4.51 per cent. (4.45).

GOLD fell \$4 to \$173.

WALL STREET opening was delayed by a snow storm, but closed 1.73 down at 776.94.

EUROSTOCK bond market has announced two new issues—one for the European Investment Bank worth \$25m and one for Rowntree Macdonald worth \$15m. Back Page 1

PRIVATE INVESTORS have been selling their shares at a record rate—1975. North between July and September—according to Government statistics. Page 19

U.K. COMPANIES will be bidding for contracts in the development of Venezuela's offshore oil and steel industries. The first stage of the steel mill project is estimated to be worth \$150m. Back Page

Arab links for Hill Samuel

HILL SAMUEL has formed links with a leading Texan bank and a consortium including Arab interests which will give the London merchant bank a \$9.3m. capital injection and the opportunity for wider international operations. Back Page

2,200 SHELL tanker drivers have had their pay deal turned down by the Department of Employment, reviving anxiety about serious industrial action by petrol tanker drivers. Page 19

BRITISH LEYLAND is to raise the price of its 850 Mini to over £2,000, but is changing its pattern of price rises to half-yearly instead of quarterly. Back Page

U.S. COMMERCE Department has issued regulations governing the way U.S. companies comply with anti-boycott laws, notably in reaction to the Arab boycott of Israel. Back and Page 12

JAPAN recorded a resounding record balance of trade surplus last month—\$2.21bn. on a customs clearance basis—with sharp rises in car exports. Back Page

COMPANIES

GRAND METROPOLITAN reports profits of £77.5m. (£57.08m.) for the year to September 30 on sales of £1.84bn. (£1.48bn.). Page 20 and 1st

ATV has withdrawn its bid for Madam Tussaud's. Page 21

CIBA-GEIGY reports group turnover 5 per cent. up to Sw.Frs.9.94bn. for the whole of last year. Group profits are expected to be higher than the Sw.Frs.320m. recorded in 1976. Page 22

'Green £' proposal puts Lib-Lab pact in jeopardy

BY PHILIP RAWSTORNE

The Government yesterday threw the Lib-Lab pact into greater jeopardy by announcing plans for a 5 per cent. devaluation in the "green pound" and rejecting Liberal demands for further concessions.

On the eve of the Liberal special conference in Blackpool on the future of the pact, Mr. James Callaghan is reported to have vetoed a compromise with the Government's allies. The Government's decision—which will raise farmers' prices by about 5 per cent. and food prices by about a penny in the £—came last night after two days of intensive talks with the Liberal had broken down.

Mr. John Pardo, Liberal deputy leader, and Mr. Gerald Howells, the party's agriculture spokesman, had been pressing Mr. Michael Foot, Lord President, and Mr. John Silkin, Minister of Agriculture, for a 10 per cent. devaluation in the Common Market's agricultural exchange rate for sterling.

Late on Thursday night, the Liberals believed a compromise solution was near agreement. But Mr. Callaghan, apparently acting on behalf of the Cabinet, ruled it out.

Angered and disappointed by the rebuff, the Liberals are threatening to join the Conservatives and Scottish Nationalists in voting against the Government at the end of Monday's debate in the Commons.

Further efforts may be made on Monday to extract from the Government some last minute guarantees of a better deal this year for farmers.

The Government's amendments to the Tory motion demanding a 7 1/2 per cent. devaluation says that the Government's action is "part of a move" in the course of this year to increase the net income of producers by 10 per cent., an amount which corresponds to the guideline figure in the Government's income policy.

Apart from the immediate danger to its Commons majority, the Government's decision inevitably will make Mr. David Steel's task more difficult when he tries to-day to persuade Liberals to back continuation of the pact until the end of the session.

Delegates will choose between that option and ending the pact immediately.

Christopher Parkes writes: The main aim of the British devaluation move, according to the Opposition motion, is to help pig and beef farmers and, specifically, to "increase the net incomes of such producers by 10 per cent." this year.

If applied to all farm commodities, this change in the special agricultural rate for sterling against the EEC's unit of account would raise the retail price of butter and cheese by 3p a lb, beef by 2p a lb, bacon 1p and sugar 1p a kilogram.

The impact on cereals prices would add another 0.25p to the cost of a standard loaf.

But the effect on the butter price would probably be delayed since Britain now has 200,000 tonnes of stocks imported last year at "old" prices.

If the Liberal demands had been met, these increases would have been doubled. Combined with price rises already on the way the result would be 13p a pound on butter this year, 7p a pound on cheddar cheese, 4p a most cuts of beef and smaller.

Continued on Back Page

Sadat reiterates demand for Israeli withdrawal

BY MICHAEL TINGAY

PRESIDENT ANWAR SADAT reiterated to-day that Egypt's minimum demand for continuing direct negotiations on a Middle East peace settlement was Israel's agreement to a declaration of principles, including withdrawal from Arab territories occupied in 1967 and "Palestinian self-determination."



PRESIDENT SADAT

He dismissed the argument over Jewish settlements in Sinai, which was another major bone of contention at the abortive Jerusalem negotiations earlier this week, as a "loss of time" and a "joke."

The Egyptian leader stressed that "the door to peace was not closed." Mr. Sadat, speaking to reporters at his residence near the Nile Barrage after two hours of discussion with Mr. Cyrus Vance, U.S. Secretary of State, who arrived here to-day in a desperate bid to salvage the peace talks.

Mr. Vance said that he had made progress in talks last night in Jerusalem with Mr. Moshe Dayan, the Israeli Foreign Minister. He had "recorded what took place to President Sadat."

The President told a questioner that "the whole approach to peace negotiations is being tested because we are losing time discussing, for instance, the settlements, and we should not lose time in this, because it is a joke."

"We were working on a declaration of principles in which Israel shows its determination to end the occupation of land occupied since 1967, and self-determination for the Palestinians."

CAIRO, Jan. 20.

"The minimum for continuing our work on straight lines should be this declaration of principles the land of 1967, withdrawal, that is, and self-determination. "What other time is needed to perform this is a matter for negotiations, as it can be agreed upon and negotiated in a less dangerous way."

Cairo is waiting to hear what the Egyptian leader will say when he addresses the People's Assembly to-morrow night.

Mr. Sadat has limited options after the suspension of the talks of the "political committee" involving the Foreign Ministers of the two States and Mr. Vance.

There has been speculation among diplomats here that he might decide to fly to Washington in the near future.

He is believed throughout the last four years that the solution to the Middle East problem must involve U.S. pressure on Israel, and more fundamentally, a change in American public opinion.

Israeli Foreign Minister Moshe Dayan said in Jerusalem that President Sadat's conditions for resuming peace talks were absurd. There would be no talks "if Egypt does not modify its demands for Israeli concessions."

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Swan Hunter lose Polish order

BY IAN HARGREAVES AND ALAN PIRE

RENEWED pay problems at Swan Hunter last night cost the Tyneside yard its last chance of sharing in any part of the £115m. Polish ships order.

After the failure of six-hour talks in Newcastle aimed at persuading members of the Boiler-makers' Amalgamation to concede job flexibility arrangements, British Shipbuilders announced "with regret" that an order to build four Polish bulk carriers, allocated to Swan Hunter only last week, had been withdrawn.

Three of the vessels will be built at Govan, and the fourth at Swan Hunter's Dock.

The decision is likely to force Swan Hunter into declaring up to 800 redundancies, starting with boilermakers, in the near future.

Swan Hunter should have received seven ships from the Polish order, but British Shipbuilders decided against allocating them to the yard in November when 1,700 outworkers refused to lift an overtime ban in support of a claim for parity with boilermakers.

Eroded

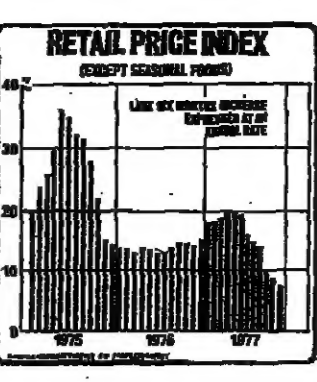
The yard received a reduced share of the order last week, when the outworkers lifted their overtime ban after a £5.40 award from a fair wages hearing. This reduced the boiler-makers' differential to £2.87.

New trouble immediately arose from the boiler-makers, who resented the way in which the differential had been eroded and decided this week to revert from flexible working arrangements to a less productive one-man-one-job system.

British Shipbuilders' decision to withdraw the order came after Mr. Michael Casey, the chief executive, and other senior officials failed at yesterday's talks to convince the men that job flexibility must continue.

Mr. John Chalmers, general secretary of the Boiler-makers' Society, said he was disappointed at the haste of the decision to cancel the ships, while Swan Hunter and the boiler-makers were trying to settle the differences. He had not yet given up hope of saving the ships for the Tyneside.

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Retail price inflation in single figures

By Peter Riddell, Economics Correspondent

THE underlying level of retail price inflation is now well down into single figures and the 12-month rate should also move below 10 per cent. within two months.

The retail price index rose by 12.1 per cent. to 188.4 (January 1974=100) in the 12 months to mid-December, according to the Department of Employment figures announced yesterday.

This was forecast by Mr. Denis Healey, the Chancellor, in his spring budget. He predicted that the 12-month rate of increase would fall to 12 or 13 per cent. by the end of last year.

The 12-month rate should almost definitely be below 10 per cent. by mid-March.

This rate could remain in single figures until after the end of this year, even if the rise in earnings in the present pay round turns out to be between 12 and 14 per cent.—as is now estimated in Whitehall—rather than the 10 per cent. ceiling.

This is because of the favourable offsetting effect of the rise in sterling on raw material costs. While this has made the medium-term inflation prospects brighter than was assumed last autumn, there would be a return to double figure rises in 1979 if earnings continued to increase by much more than 10 per cent.

The underlying rate of inflation is now down to the average level for the main industrialised countries.

The improvement is best indicated by the rise in the index for all items except seasonal food measured over six months and expressed at an annual rate.

This was 7.4 per cent. in the period to mid-December, in single figures for the third month running, and in contrast with a rate of 20 per cent. last May.

The recent levelling-out in the rate of increase shown by notified prices to the Price Commission suggests that the underlying rate of retail price inflation may also be coming under control.

Continued on Back Page

Carter takes different line on inflation

BY JUREK MARTIN, U.S. EDITOR WASHINGTON, Jan. 20.

PRESIDENT CARTER to-day proposed a new, voluntary anti-inflation programme, involving consultation between the Administration, business and labour, and with the goal of reducing the rate of growth of inflation by 0.5 per cent. a year over the next two years.

At the same time, he formally proposed that the corporate tax rate be cut to 45 per cent. from the present 48 per cent. on October 1, with a further reduction to 44 per cent. in 1980.

He also recommended that the 10 per cent. investment tax credit be made permanent, and its applicability widened.

These were the principal points in his separate Presidential economic report to Congress, published to-day as part of a barrage of economic policy statements emanating from the Administration.

President Carter mentioned some of his proposals in his State of the Union message last night. More details will be forthcoming in the full tax proposals and the Budget, due to be released over the next three days, and the report of the council of economic advisers, out next week-end.

Mr. Charles Schultz, chairman of the council of economic advisers, acknowledged yesterday that the new anti-inflationary programme implicitly abandons an earlier Administration goal.

The previous policy unveiled last April, had the target of reducing the underlying rate of inflation to 4 per cent. a year by the end of next year.

Mr. Schultz agreed that to cut the underlying rate, now running at more than 6 per cent. a year, by 0.5 per cent. a year would be a considerable achievement.

Both predictions are rather more modest than those advanced by the Administration for much of last year.

Mr. Schultz vigorously contended that the net \$25bn. tax reduction would be necessary to boost the economy this year. But he also found himself hard-pressed to defend the proposition that the tax proposals amount to any net stimulus.

It is generally reckoned that, over the next two years, the U.S. economy will be affected by a "tax drag" of close to \$30bn.—half as a result of higher social security levies and half stemming from inflation pushing individuals into higher tax brackets.

This, it is argued, wipes out the planned stimulus—\$25bn. in new tax cuts and \$5bn. left over from last year's mini-reflationary package.

Michael Blanden writes: The dollar lost ground in early London foreign exchange market dealings yesterday, reflecting an initially disappointed reaction to President Carter's State of the Union speech. It picked up later, probably with the help of official Swiss support.

The dollar ended slightly higher against the Swiss franc and a little lower against the West German D-Mark. The pound lost 10 points to \$1.9325, with its index against a basket of currencies unchanged at 66.1.

No enforcement

The basic presumption of the new plan is that "wage" and "price" controls should rise significantly less in 1978 than they did on average in 1977 of the last two years."

The programme would be without enforcement teeth and would not constitute public "lawbreaking," he said. Because of great industry-by-industry variables, no numerical standards by which rises in wages and prices could be measured would be set. Other available options, including controls and guidelines, had been rejected.

Rather, the intention was to launch "a consultative process" out of which "a general standard of behaviour asserting the public interest" would evolve. The consultations would principally take place in private.

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The week in London and New York

Second-line stocks in demand

Cold comfort

ONLOOKER

TRADING IN the market this week was extremely thin although there was a fair amount of interest in the second line stocks particularly those with some speculative appeal. Ahead of the Trade figures on Monday buyers were few and far between and the eventual disappointing announcement left both equities and gilts drifting lower.

Concern over the trade figures was again apparent on Tuesday and gilts were lowered throughout the day finishing on balance about 14 points down. Some recovery was, however, noticeable after this on the back of some cheap buying and bear covering and over the course of Wednesday and Thursday gilts and equities made up the leeway lost.

The momentum was kept up yesterday following the encouraging implications of the latest Retail Price Index, although in late dealings gilts came in for some profit taking.

Motor distributors

The motor distributor sector has made a racing start to the year. This week saw another set of sparkling results from distributors, a £10.7m. bid for Toyota dealers, Price and Clarke, while Fiat announced plans to extend its dealerships; as overseas manufacturers gear up to take an even bigger slice of the U.K. car market in 1978.

According to results published over the past fortnight, motor distributors' profits rose by an average 60 per cent. last year, during a period when U.K. car registrations rose only 3 per cent. Underpinning profits has been the companies' increasing involvement in car hire and leasing which is much more profitable than straight car sales.

It is estimated that between 50 per cent. and 70 per cent. of all new U.K. car registrations now end up in company fleets and an increasing percentage of this business is through leasing and hire deals.

The British Vehicle Rental and Leasing Association said yesterday that leasing business may have increased by 10 per cent. since last June when controls demanding that corporate customers pay a ten month deposit were scrapped.

Under the 1971 Finance Act—and following a test case involving Godfrey Davis in 1975—car hirers are allowed fully to depreciate the cost of a new car in a single year. The tax advantages of this concession have not escaped the notice of

the banks which have become increasingly involved in financing leasing deals.

This is a mutually beneficial arrangement since the finance house can eventually sell the vehicle back (at a substantial discount) to the dealer thereby providing a ready supply of cars for the second hand market. The Bank of Scotland recently took a 26 per cent. stake in Healey to obtain an outlet for its leasing and hire purchase business.

TV smiles

Advertising revenue figures released this week for the independent TV companies, showing a 38 per cent. rise in December, closed the book on a year that far exceeded expectations. Revenue for 1977 as a whole was up 30 per cent., and some of the contractors' profit gains have been in excess of that. ATV is top performer with doubled TV profits of \$4m.

Trident's figures released this week were up to scratch with full year profits over 50 per cent. higher at £7.36m. But the figures were not without a sour note. The TV rental operation in Australia turned in a small loss. At the interim stage, when Australia had moved into the black, it seemed as if Trident's major diversification—as established and that it was a matter of letting the rental income roll in.

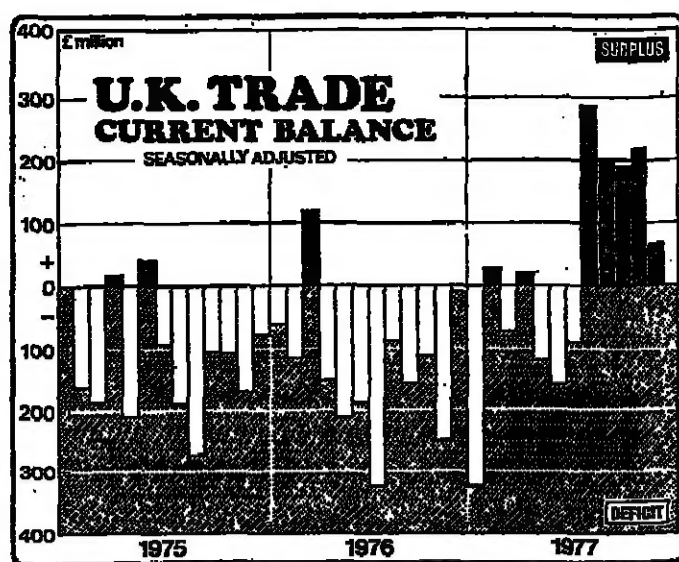
However Australia has been difficult for many—EMI sold out its TV manufacturing to Rank and Nippon Electric—and to restore profits Trident will have to expand its set density by acquisition.

Anglia was the one contractor to disappoint. Profits expanded just 11 per cent. pre-tax. At the operating level the company was 40 per cent. higher—well up to the mark—but after levy payments (two-thirds of TV profits) most of the £11m. gain was creamed off. Overseas programme sales (free of levy) were flat, but Anglia is going all out to do better this year.

Spotlight on Racal

Racal's share price bounced back 16p in two days this week as the stock market breathed a sigh of relief that the bribery trial involving two former Racal employees had ended.

However, Racal's share price has still fallen by three times more than the All-share index since the shares peaked at 270p last September. Bad publicity generated by the trial will not have helped but the market is more concerned that Racal's dramatic growth phase must



soon end unless the group buys its way into new markets. This could be expensive. Worries about the exchange rate have not helped the share price.

Drinks up

Mr. Roy Hattersley's speech at the annual dinner of Licensed Victuallers probably caused a few pangs of indignation. The Prices Secretary took a hard line on the need for increased competition, and the frequency of price increases. "If there ever was a real need for such frequent increases the time is past."

In a week when the Price Commission had to allow Allied Breweries a 2p a pint interim price increase and Scottish and Newcastle has been nodded through with a similar rise, Mr. Hattersley's comments hint at some strong resentment within the Government to the scale of price increases.

Though the Commission may have difficulty in limiting beer prices this time, the full investigation into Allied is bound to be abrasive. Next time the brewers might find the going a lot tougher. Some indication of things to come was given by Scottish. It got its price rise but not without a promise to hold prices until next October.

Elsewhere Distillers' an-

nouncement of a 10 per cent. price increase for exports looks like a real slap in the face for the EEC Commission, which recently ruled against DCL's dual pricing policy. If the EEC gets tough it could stop DCL withdrawing Johnnie Walker from the home market. U.K. agents would then be in a position to undercut European agents. It could be bad news for DCL if its overseas agents stop promoting Johnnie Walker.

Sterling bites deep

Three further indications of the effect of sterling's strength on corporate profitability became apparent this week.

Announcing profits for the year to November 5, Gestetner revealed that its £23.5m. pre-tax figure had been deflated by £3.5m. because of exchange rate movements. However, even though around four-fifths of the group's turnover comes from overseas, the group's reliance on direct exports (£45m. out of total sales of £228m.) is limited.

Analysts' expectations of £70m. pre-tax from Courtaulds now look very ambitious. Second half profits in the year to the end of March could be lightened by around £5m. in lost margins on exports. The group is operating in a high volume, low margin business, and the fibre industry is already suffering from international over-capacity. Little more than £50m. is now being looked for when the group announces preliminary results later this year.

ICI is picking up one of the larger bills from a strong pound. It indicated on Thursday that the final quarter's debit for the three months to December arising from currency movements will be £19m. That compares with a mere £2m. for the third quarter, after which pre-tax profits were £105m.

THE TOP PERFORMING SECTORS IN FOUR WEEKS FROM DEC. 22

	% change
Mining Finance	+7.8
Office Equipment	+6.3
Mechanical Engineering	+4.3
Textiles	+4.2
Insurance (Life)	+3.9
Property	+3.8

THE WORST PERFORMERS

	% change
All-Share Index	-0.6
Chemicals	-2.7
Food Manufacturing	-3.1
Insurance Brokers	-4.4
Food Retailing	-4.9
Oil	-5.4
Investment Trusts	-7.8

U.K. INDICES

	Average week to	Jan. 20	Jan. 13	Jan. 6
Ind. Ord. Index	487.6	487.6	487.6	487.6
Gold Mines Index	147.8	147.8	147.8	147.8
ANZ	245	245	245	245
Allied Colloids	72	72	72	72
Automated Security	61	61	61	61
Bluebird Confectionery	183	183	183	183
Brown (J.)	248	248	248	248
Davenport Brewery	91	91	91	91
Fluoride	72	72	72	72
Liner Concrete	37	37	37	37
London Pavilion	515	515	515	515
London Sumatra	127	127	127	127
McLeod Russell	240	240	240	240
Pride & Clarke	517	517	517	517
Rustenburg Plat.	83	83	83	83
Toys	49	49	49	49
Turner Manufacturing	111	111	111	111
Vesper	181	181	181	181
Wigfall (H.)	266	266	266	266
Wit. Nigel	45	45	45	45

	Jan. 20	Jan. 13	Jan. 6
Govt. Secs.	77.16	77.45	78.23
Fixed Interest	80.80	80.85	81.15
Ind. Ord. 479.8	484.7	491.3	
Gold Mines	145.1	139.4	134.5
Dealing mtd.	5,610	6,055	5,395

	Jan. 20	Jan. 13	Jan. 6
Capital Gds.	208.85	211.05	211.44
Consumer (Durable)	191.33	192.29	194.53
Cons. (Non-Durable)	198.30	202.09	205.41
Ind. Group	205.03	208.20	210.52
50-Share	226.02	229.52	232.52
Financial Gp.	173.32	175.79	175.87
All-Share	210.46	212.57	216.13
Red. Debs.	63.23	63.21	63.04

	Jan. 20	Jan. 13	Jan. 6
Capital Gds.	208.85	211.05	211.44
Consumer (Durable)	191.33	192.29	194.53
Cons. (Non-Durable)	198.30	202.09	205.41
Ind. Group	205.03	208.20	210.52
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Financial Gp.	173.32	175.79	175.87
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	Jan. 20	Jan. 13	Jan. 6
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Your savings and investments

Reserve and pension

BY ERIC SHORT

MUCH HAS been said and written about the new State pension scheme starting in April, and next week the Government is launching a massive publicity campaign to explain the benefits of the changes. But the self-employed need not bother to listen, because they will get nothing more than under the present system. They need to make their own arrangements. A pension contract with a life company is the most tax efficient way of doing it.

The self-employed, however, also need to keep part of their assets liquid to meet unforeseen emergencies and such capital cannot be put into a pension contract, because the money so invested cannot be realised until retirement. These two objectives are somewhat in conflict, but Mark Weinberg, of Hambro Life, the arch-entrepreneur of life assurance, has, in conjunction with Alliance Building Society, produced a plan to help the self-employed on both counts.

The plan, named the Retirement Bond, is quite straightforward. The investor deposits a lump sum in an ordinary account with the Alliance as a reserve for his business, and this remains untouched. But most of the interest—4.8 per

cent out of the 5.5 per cent, tax paid which investors will receive from February 1—is invested in Hambro Life's Growth Retirement Plan on a regular basis. The money is accumulated in a tax exempt fund, and the investor can draw out the proceeds, partly as a tax free cash sum and partly as a pension, at any age from 60 to 75.

Alliance and Hambro have simply packaged this together to make it easy for the self-employed, who are often too busy to enter into complex arrangements. Because less than the full amount of the building society interest is invested, there is a cushion against a cut in contributions at a later date, should interest rates fall further. The investor can claim back tax at his top rate on the contributions, thereby boosting his income.

But it could pay investors, especially higher rate taxpayers, to do it themselves, investing in a fund that pays interest gross. Not only would they receive a higher effective rate, but their pension tax relief is based on a gross payment, whereas under this scheme it is based on a net payment. Consider this example of an investor taxed at 55p in the pound investing £10,000

Interest from B.S. at 4.8 per cent. paid to pension plan	£ 480
Less higher rate tax	153
Plus tax relief at 55 per cent. on £480	284
Increase in income	111
Total annual receipts	591
Interest from equivalent fund paid gross to pension plan	727
The tax liability is cancelled out by tax relief.	

Pleas to the Chancellor

IN THE SEASONAL clamour now assailing the ears of the Chancellor of the Exchequer, one loud and penetrating note is being struck. All of the managed funds want an end to the present anomalous treatment of the income from loan stocks and gilts.

As things stand at the moment, anyone who puts their money into such investments by way of a fund will be much more highly taxed on the income than if he did it himself. Result: there are hardly any funds investing in loan stocks and gilts—only Target Gilt, which aims for capital growth rather than the income advantages of gilt-edged investment, and Schlesinger, with its new Preference and Gilt fund. Last week the Unit Trust Association sent off another plea for deliverance from such a handicap, and every now and again there are rumblings from the investment trust sector to the same effect. In such a change David Thomas, for one, sees a large part of the salvation of the industry.

David Thomas is a stockbroker with Walter, Walker, and he has been instrumental in developing a new system to account for the discounts to their net assets at which the

shares of investment trusts commonly stand. He says it has nothing to do with the performance of the management. On the contrary, it's a reflection of the future expectations of investors—what they expect that trust to produce in the way of income and capital growth, and what they expect from competing investments—and notably long-dated gilts—over a corresponding period.

Obviously investors' expectations of a trust's capital performance are going to depend on their expectations of movements in the markets in which that trust is invested. Their expectations of the whole sector's income performance has, however, been in abeyance until quite recently, partly because of an outdated belief in capital growth rather than yield, and partly because of a high-level of investment in low-yielding American stocks, many investment trusts weren't yielding enough to make it a serious factor in the calculations.

But all that is changing now. A fall in the value of the pound, and a rise in yields on Wall Street, has produced some dramatic increases in trusts' income: and since they are not subject to dividend control they have been passing it on.

MATRIMONY is an expensive business. These days, fortunately, it's an expense which is generally shared by both parties to the contract. But the struggle to set up house, in particular, is likely to leave even a respectable point income quite painfully stretched for a while. That being the case, it's a first rate opportunity for anyone thinking of giving money to one or other of the couple, sooner or later, to get on with it there's a very strong likelihood that under such circumstances the gift will be put to very good use.

Exemptions under the capital transfer tax legislation permit just such acts of benevolence, with each parent allowed to give their child up to £5,000 free of any liability to CTT. Grandparents or great-grandparents can give up to £2,500 apiece (as can each party to the marriage) and other people up to £1,000. Any such donation would make a handsome addition to savings for the deposit on a house or flat, the purchase of which must be any couple's first financial priority. However, for the monthly payments may seem—and these days they are not likely to seem all that formidable in comparison with commercial rents—the tax advantages of house purchase are so great that no one exercising reasonable financial prudence

This third part in our series, *The Seven Financial Ages of Man*, looks at the financial aspects of matrimony. The series is written by Adrienne Gleeson, Eric Short and Helen Whitford.

And then the lover...

can afford to ignore them. It is not only that the interest payments on any loan taken out by a would-be owner occupier in order to buy are allowable against tax. It is also that, as the law stands on the moment, not only does any increase in the capital value come straight through to the purchaser, but it comes through free of any liability to capital gains tax. So quite apart from the pleasures of living in it, a house is one of the best of all possible investments in financial terms. We consider below the three forms of mortgage most likely to be useful to first-time, or for that matter, second- or third-time buyers.

FOR THE purposes of taxation the Inland Revenue generally takes a husband and wife who are living together to be one unit: and the basic rule is that their income will be added together and treated as that of

the husband, who must pay tax on it. Couples who object to such remnants of a patriarchal society may, however, apply to be separately assessed—in which case the total tax bill will be the same, but each will pay his or her respective share of it. The reliefs to which they are entitled will still be those applying to a married couple: but they will be apportioned between them.

A much more important possibility, sometimes confused with separate assessment, is that of non-aggregation. That is, a husband and wife can elect (not earlier than six months before, and not later than one year after, the year of assessment) to be taxed as single people. But—but the election only applies to earned income: unearned income of the wife—even such things as family allowances—will still be treated as part of her husband's income. Now obviously, if the couple

in question are high-powered earners, there is big potential in this for tax savings—particularly if they have relatively little in the way of reliefs. But if their joint taxable income is relatively low, it may not be worth sacrificing the £510 in allowances (the difference between the married and the single personal allowance) which separate election entails. Working out whether it's worth your while or not is simply a matter of settling down with a calculator for 20 minutes, to see if you'd be paying more assessed separately or together. Any high-powered couple should be able to manage it.

IF YOU BELONG to such a high-powered couple, have all that much in the way of arranged your house purchase life insurance at this stage of the proceedings—not until there is a baby on the way. Babies don't always arrive in a predictable manner, so it might be as well to have a back-



Sighing like a furnace, with a woeful ballad Made to his mistress' eyebrow.

stop—cheap-term assurance, for example, which pays a given cash sum should you die within a specific period, but nothing you survive beyond it. That should be taken out for both husband and wife.

That won't, however, do anything for your long-term effort to build up capital; and you won't get tax relief on the premiums, either. If you really want to put money away for a longer-term, then this is the moment to go for unit-linked life assurance. Considered life insurance per se, it's expensive. But if you look on it as a form of investment, it's potentially as good as the traditional with-profits endowment assurance policy, and it will certainly give you a lot more fun.

But be warned: unit-linked life assurance does imply a commitment to regular savings, and you won't be able to pull your money out of your units in a hurry without incurring a penalty. So don't funnel all your spare income into it. You need some in your current account at the bank—just enough to make sure that you won't pay bank charges. You need some in an interest-bearing account as a float against larger scale emergencies. And the rest? Do your selves a favour. Put it into the best investment of all: happy memories.

Mortgage options

IN COMPILING the accompanying table we have gone looking for the best of the mortgage options available to you—defining best in terms of those which cost you least rather than those which promise you most. We have worked upon the assumption that, in the early days of house purchase at least, cutting back on your outgoings is a lot more important than building up your eventual capital gain.

A straight repurchase mortgage is exactly what it sounds like: a form of borrowing in which income and capital are paid off over the period of the loan. In the early years most of your monthly payment will be interest: it isn't until fairly late on that the capital debt starts to diminish dramatically. That means that you might—rates rise—come to the end of a year of repayments to find that you owe the building society more than you did at the beginning. But it also means that you will benefit, in the opening

years, from a very large entitlement to tax relief.

At the start, then, a repayment mortgage will cost you less than either of the other possibilities. But all things being equal, each of them should be costing less than straight repayment before you are halfway through the period of the loan. So if you're moving into the sort of house that you envisage staying in—and holding the same mortgage on—for the next decade or more, you should consider one of the other possibilities.

Option mortgages are strictly for those with incomes so low that they'd find themselves paying more in mortgage interest than they are liable to pay in tax. Under those circumstances they would be throwing their entitlement to tax relief away. But everyone else should make the most of it—and particularly those home buyers who either are, or are liable to be, subject to higher rate tax.

Cost of a £10,000 mortgage, repayable over 25 years, granted to a man of 30 (assuming tax at 34 per cent.)			
Straight repayment (Building society interest at 8.5%)		Option mortgage at 5.6%	
Monthly payments (gross)	£ 81.50	Monthly payments	£ 62.80
Less tax relief		No tax relief obtainable	
1st year	24.08	No final cash sum	
last year	2.22		
average	15.38		
Net cost			
1st year	57.42		
last year	79.28		
average	66.12		
Plus mortgage protection policy	1.90		
Monthly premium	0.49		
Less tax relief			
Net cost	1.41		
Total average cost	67.53		
No final cash sum			

They can minimise their sum are (all things being policy which matures at the liability by going for a low-cost equal) the same the whole way end of the period and provides endowment mortgage scheme, through. The money for repayment protection in the meantime. Under such a scheme monthly ment of the capital comes from Both mortgage interest and life interest payments on the capital a life assurance endowment assurance premiums are

Consumer research

IF THERE IS, in the field of consumer spending, one question more interesting than what you do with your own money, it's what other people do with theirs. But the information is very hard to come by. Some general statistics are, it's true, provided by government departments, but they're never less than three months out of date. And insofar as anyone has attempted market research on the subject, it's only been on a small scale and on an ad hoc basis.

Now AGB Research, the only quoted market research company in Britain, and one of the biggest, is setting out to change all that. The company, which already operates the JICSTAR survey of viewing habits for the independent television companies, has started to recruit a national representative panel of consumers for a new service called Index, which will provide information on levels of personal finance and discretionary spending. Appropriately, perhaps, Index is going to cost more than any other U.K.

market research project ever undertaken—has already cost more, in fact: £600,000 has gone into it already.

The Index panel—AGB is aiming for 11,500 members, including 1,500 home movers and newly weds (groups which are going in for a radical change in their buying habits)—will keep a diary and fill in questionnaires, recording all payments and purchases of more than £3. They will use codes to describe on what the money was spent, how much was spent, to whom it was paid and by what means. But the panel members won't just be revealing their spending on consumer goods. They'll also reveal information on, for example, mortgages, all forms of personal insurance, credit card facilities and savings.

The service is intended in the first place for clients such as banks and credit card companies, prepared to pay some £6,000 a year for the privilege of knowing what the public is doing with its money. But in addition there are potential clients among the building societies, holiday and travel firms, and all the manufacturers and retailers of consumer goods. The first results of the survey should be coming through by the middle of the year.

ARNOLD KRANSDORFF

£10-13%
CURRENT ESTIMATED ANNUAL GROSS YIELD
PAID QUARTERLY

LAWSON HIGH YIELD FUND
"The track record of this fund on Income and Capital is good"—FINANCIAL TIMES 2/12/77
"Considering the general fall in interest rates the yield is attractive"—GUARDIAN 22/10/77
"For those who want double figures Lawson High Yield looks most promising"—DAILY EXPRESS 17/1/77

★ LAWSON HIGH YIELD is proving extremely successful, having attracted over £10,000 investors and grown to over £12 million in only 3 1/2 years. Moreover, holders of accumulation units have seen their investment more than double and income unit holders are now receiving a yield equivalent to over 16% on their initial investment.

★ SECURITY—any risk inherent in high yield shares is minimised through a wide spread of investments—particularly through the investment trusts. Shares are carefully selected not only for high yield but also for future appreciation of capital and income.

★ CURRENT PORTFOLIO—40% Preference Shares; 30% Equities; 30% Investment Trust Income Shares

INVEST BY 31st JANUARY FOR NEXT QUARTERLY PAYMENT

You should act quickly to take advantage of the current high yield available. A Balance of Payments Surplus, a reduced public sector deficit and a stable currency should be good for the UK Stockmarket over the next few years. By investing in LAWSON HIGH YIELD units now, you could profit from falling interest rates—not only should you receive this current high yield now, but you should also benefit from a capital gain on your units and a rising income in the future.

The price of the units and the income from them can go down as well as up. Nevertheless we believe that a wide spread of high yielding securities should prove to be an excellent investment over the long term.

A wider range trustee security authorised by the Department of Trade. A 5% initial charge is included in the price. An annual fee of 1% plus VAT is deducted from gross income. Commission to agents. Trustees: Clydesdale Bank Ltd (Member of Midland Bank Group). Auditors: Whitley Murray & Co. (Chartered Accountants) Managers: Lawson Securities Ltd, 63 George Street, Edinburgh EH2 2JG. Tel: 01-226 3911. Registered in Edinburgh 56135. During an offer, units may be bought or sold daily otherwise weekly on Fridays. Settlement for units sold follows within a few days.

FIXED PRICE OFFER UNTIL TUESDAY JAN 31st 1978
OR DAILY PRICE IF LOWER

The Managers reserve the right to close this offer if the true price rises by more than 25%.

Income Units 54.1p Accumulation Units 73.3p

APPLICATION FORM

To Lawson Securities Ltd FREEPOST, Edinburgh EH2 0DB (no stamp required) or Tel: 01-226 3911 (9.00am - 5.00pm) or 24-hour Answerphone Service. I enclose a remittance payable to Lawson Securities Limited in units of Lawson High Yield Fund, Not applicable to Eire.

For accumulation units tick ☐ I I For unit-linked Savings Plan please tick ☐ I I For share exchange details please tick ☐ I I

I declare that I am not a resident of any of the territories in which this offer is made (these units are for the benefit of persons resident outside the territories). I agree to make this declaration should apply through my Broker, Stockbroker or IPO U.K.

Signature _____
(All unit applicants must sign and attach full name and address)

Names in full _____
Address _____
Address _____

GOLD.
WE WANT YOUR KRUGERS

If you are a potential seller of Krugers at around £90, you should contact M.L. Doxford (Bullion) Ltd., NOW.

Krugers are currently around £93, but gold prices fluctuate sharply. By using our Limited Order Service, investors can set predetermined prices at which to buy or sell. Dealing opportunities which often exist for only a few moments could otherwise be missed.

We also deal in New Sovereigns, Silver Kilobars and Platinum Ingots (minimum investment £500).

For fullest details of our services, kindly forward the coupon below or ring our dealers on (01) 839 7788.

M.L. Doxford (Bullion) Ltd.,
10 St. James's Street, London SW1A 1EF.
Tel: (01) 839 7788.

Please forward without obligation details of your bullion services.

Name _____
Address _____
Tel. No. _____

FT 12

TARGET INCOME-PLUS PLAN

10³⁰/₄%

8³⁰/₄%

9³⁰/₄%

YOU CHOOSE YOUR INCOME

WE SPREAD YOUR INVESTMENT

PROPORTION OF INVESTMENT INCOME

Target Income	Target Preference
at 31.3 p/ at 15.2 p/ per unit	per unit
100% + NIL = 8.80%*	
50% + 50% = 9.79%*	
NIL + 100% = 10.79%*	

* Estimated gross annual yield
† Quoted offer price

Target's Plan offers you the opportunity to invest in two of their top funds which specialise in providing a high income. Spreading your capital over these two funds, so giving an average estimated yield of 9.8%, should give greater stability and security to your investment.

If you elect to take an estimated yield of 8.8% all your capital will be invested in Target Income Fund which offers greater prospects of longer term capital growth. Alternatively, by electing the highest rate of 10.8% all your capital will be invested in Target Preference Share Fund which provides one of the highest returns currently available from a unit trust.

Target Income Fund offers a combination of a high immediate return with prospects of an increasing income and long term capital growth. This is achieved by investing in sound and marketable second-line equities which normally offer very attractive yields.

Target Preference Share Fund is an old established fund valued currently at over £25m. It is invested only in preference shares of some 400 companies and has paid a high stable income

Investment Managers: Darnay, Day & Co., Ltd

for over 13 years now. The capital value of your units will fluctuate with interest rates, but the income from them should remain stable over the years.

The History of the Plan
It was launched on 1st February 1975 when £1,000 spread equally between the two funds was estimated to yield £128.80 p.a. gross. The gross income paid in 1977 was £178.00, an increase of over 38%. In addition the offer price value of the units has increased to £178.4, compared with an average increase of the F.T. Actuarial All Share and the Industrial and Commercial Preference Indices of 71.5% over the same period.

Remember the price of units and the income from them can go down as well as up.
Your investment should be regarded as long-term.

How to Apply
The rate of income you choose determines the amount invested in each fund. Therefore send in the application below indicating the estimated yield that you require. The minimum investment is £400.

Application will be acknowledged and certificates will be sent within 10 days of the date of the offer. The offer will be available until 31st May 1978. Units will be allocated on a first come, first served basis. Units will be allocated on a first come, first served basis. Units will be allocated on a first come, first served basis.

Signature _____ Date _____
(If there are joint applicants all must sign and attach names and addresses separately)

PLEASE WRITE IN BLOCK LETTERS - THE CERTIFICATE WILL BE PREPARED FROM THIS FORM.

Names in full (Mr/Ms/Miss) _____
Address _____
Address _____

Do you already hold Target Preference Share Units? YES/NO. Do you already hold Target Income Units? YES/NO.
Please let me have details of monthly savings schemes ☐ Share Exchange Scheme ☐ (tick as required).

Target Income Fund
Target Preference Share Fund

Target Trust Managers Limited
19 Broad Street, London W1P 6JH

Total Funds in the Target Group £120,000,000

Finance and the family

Intervals for rent review

OUR LEGAL STAFF

at please is the position on a rent is not registered, has merely been agreed between landlord and tenants? they subsequently agree revised rental from time to time or is there provision in the Rent Acts for a three year review only?

there has not been any variation of the rent under provisions of Section 72 in the Rent Act 1977, parties are free to agree new rent at any intervals they see fit—however such agreement does not preclude the right of the parties to apply to the Rent Officer to have a fair rent fixed.

Finding up delays

am the chief beneficiary of the estate of someone who died in the middle of 1976. The estate involved is substantial and as I understand it a small claim against the estate has been dealt with, and two minor bequests have been paid. Nothing now seems to be happening. Do you consider it reasonable to delay matters? What steps should I take if completion does not take place soon?

he period which has elapsed by no means too long if the latter is other than a straightforward small estate. Clearing

the tax liabilities alone is likely to take much longer. Your best course is to maintain a constant pressure for both information and action. We doubt if you would be well advised to have recourse to the Court (an Administration Action) until a much longer time has elapsed.

Covenant to U.S. citizen

My daughter emigrated to the U.S. some years ago, is now married and is a U.S. citizen. I propose giving her a quarterly allowance by way of a deed of covenant, deducting tax therefrom, and paying the money into an external account she holds in a U.K. bank. She has no other income from the U.K. Can she reclaim the tax deducted?

We take it that you are aware of the procedure for applying for Bank of England permission to execute a deed of covenant in favour of a relative living outside the Scheduled Territories. If not, you should consult your bank.

You do not give us any idea of the figures involved, but it seems pretty clear that (at present) your daughter will be liable for basic rate tax on the covenanted payments, so that she will have neither a liability

nor a repayment—barring late changes in basic rate in future years, etc.

However, if the 1975 U.S./U.K. double taxation convention eventually comes into force in its present (thrice amended) form, it looks as though your daughter might be retrospectively exempted from U.K. tax on the covenanted payments by article 22. If you are interested, you will find copies of both the 1945 and the 1975 U.S./U.K. conventions (as amended) in a public reference library in, for example, volume F of Simon's Taxes (ISBN 0 406 06866 6).

Shareholdings of relatives

I and my son each hold 9,000 £1 shares in a private company. My wife holds 1,000 £1 shares. 1,000 £1 shares have not been distributed. Would the Inland Revenue consider the shareholding of my wife and myself as giving me personally controlling interest in the event of my death or transfer to my son during my lifetime?

Yes, the shareholdings of yourself and your wife are related, so that each of those two shareholdings must be valued as a majority shareholding. However a gift of 1,001 shares to your son could be effected inter vivos thus leaving the balance

of your and your wife's shares as a minority holding. Although Capital Transfer Tax would fall to be paid on a valuation of the 1,001 shares as a majority shareholding, thereafter a transfer would be of a minority.

Auctioneers and principal

I have seen a case reported in the local paper where an auctioneer allowed goods bought at an auction to be removed and for the cheque in payment for the goods subsequently to be dishonoured. Would it not be up to the auctioneer to make up for the loss of his principal?

The liabilities as between the auctioneer and his principal would be governed by the terms of the contract between them. We cannot offer any general observation as to what these might be. In the absence of any contractual term the issue might have to be decided on the custom of the profession in the relevant district or on implied authority.

Planning and a name

My wife has obtained permission to run a business of shopping by post (office and storage rooms) from our house. Do you think there is any way in which she can sell direct to callers, without infringing planning permission by calling the premises a craft gallery or show?

We do not know the precise terms of the conditions of the consent which has been given. It will not however avail you to give to the activity carried on at the premises in question a label which does not accurately reflect the business in fact carried on there. If there is an effective condition restricting the use to office and storage rooms you cannot conduct retail sales (other than by post) from the premises without a further planning permission.

No legal responsibility can be accepted by the Financial Times for the answers given in these columns. All inquiries will be answered by post as soon as possible.

Insurance

Index-linked cover for homes

BY JOHN PHILIP

MOST INSURERS providing household cover have spent the last year actively encouraging policyholders first of all to get their sums insured adequate both for buildings and contents, and then to get them index linked, to avoid the need for constant annual revision.

But often the practical effect of index linking seems still not to be clearly understood, while quite a number of people confess themselves wary of committing themselves to subsequent premium increases of incalculable amounts. So, this week a quick look at how the majority of insurers are applying index linking to home insurance.

The most commonly used indices are the Housing Cost Index prepared by the Royal Institution of Chartered Surveyors and the Durable Household Goods Section of the Retail Price Index. Insurers link buildings sums insured to the former, contents sums insured to the latter. The movement of each index is recorded monthly by month throughout the year, respectively, in the magazine "Building" and in the Department of Employment Gazette. And these records show that in the period February 1977 to January 1978 the buildings index had moved up by 10.75 per cent, and the contents index by 14.80 per cent.

So anyone having his buildings and contents cover renewed about now, and having arranged in January 1977 for that cover to be index linked will find that his 1978 renewal is being invited with both the sums insured and the premiums revised in percentages of this order.

But during the year the index linked policyholder will not have to pay any extra premium while his sums insured move forward in step with inflation: nor does he have to pay any extra premium in retrospect. Premium is still calculated in relation to the then sum insured at the start of the insurance year.

The month by month movement of the appropriate index controls the maximum sum insured, and so provides a moving financial ceiling to insurers' liability, which for a total loss will be greater by the appropriate percentage the later in the year the claim occurs.

Incidentally it is only in the relatively short term that the movement of the buildings index has fallen behind that of the contents index: usually they keep pace with one another, or the buildings index is ahead, taking December 31, 1973, as our starting point, by November last year the buildings index was standing at 181 and the contents index at 173. So if you have avoided revising your

home sums insured for the last four years, and moreover still wish to avoid index linking, doubling up now on 1973's cover ought to leave a bit of elbow room for this year's inflation.

As I said earlier, some people are wary of committing themselves via index linking to future premium increases of unknown size: but unpleasant as it may be, the faster inflation runs, the more important it is that adequate sums insured are maintained—and an inevitable consequence is the requirement of ever increasing premiums.

Over the last few years we have all become thoroughly accustomed to frequent rounds of motor insurance rating increases: if each year's motor renewal is less than 15 per cent up on the previous year's it is a cause for comment and self congratulation. What we have to recognise is that the annual cost of our home insurances must rise in much the same way, and for the same basic reason, inflation.

In theory it is always possible for the index linked policyholder to go to his insurers at renewal and ask them to cancel the index linking facility—for no insurer yet makes index linking obligatory. But what insurers may now do, in practice, is to require the policyholder to have his policy endorsed with what they call a condition of average—so that

if the sum insured is inadequate at the time of loss then the policyholder has to make his own contribution proportionate to that degree of underinsurance.

Many policyholders who have arranged their mortgages with building societies were at first left out of insurers' premium uplift/index linking campaigns. This was principally because the building societies wanted to give insurers' proposals full consideration before lending their support, as the majority are now doing. So it is only now that many existing building society mortgages are being given the opportunity of index linking as their renewals come round. At the same time most national building societies... are now actively encouraging new borrowers to consider index linking from the word go.

But there are some (usually the smaller) building societies that have not yet, so to speak, taken the plunge—most probably for administrative reasons. Whatever their reasons, I think that they are failing in their duty, as intermediaries, if they delay in bringing the merits and opportunities of index linking to their policyholders: and I would recommend any interested mortgage policyholder who has not yet been offered index linking to get in touch with his building society and ask why not.

Capital gains warrants

in your issue of December 10, under capital gains warrants, on mentioned that such warrants could be wasting assets. Does this apply to lat-West warrants? If such warrants have a probable value and are then sold say two years later, what please would be the base price for capital gains tax purposes?

The distinction made in the reply published on December 10 (Capital gains warrants) was between warrants to subscribe and warrants to purchase: Monagu Boston warrants carry a right to subscribe, whereas New Throgmorton warrants carry a right to purchase.

The importance of this distinction lies in section 58 of the Finance Act 1971:

"58.—(1) The following pro-

visions of this section shall apply where... an option to subscribe for shares in a company... is disposed of or abandoned on or after 20th April 1971.

(2) If the option is abandoned the abandonment shall, notwithstanding paragraph 13(3) of Schedule 7 to the Finance Act 1965, constitute the disposal of an asset (namely, of the option).

(3) Paragraph 10 of Schedule 8 to the Finance Act 1965 (restriction of allowable expenditure for wasting asset) shall not apply, and accordingly paragraph 14(4) of Schedule 7 to that Act (which determines the life of an option which is regarded as a wasting asset) shall not apply to such an option as is mentioned... above.

(4) The preceding provisions of this section do not apply in the case of such an option as is mentioned... above, unless it is of a kind which, at the time of abandonment or other disposal, is quoted on a recognised stock exchange (within the meaning of section 536 of the Taxes Act) and there dealt in in the same manner as shares;...

Although Nat-West warrants carry an alternative right to convert, we understand that the Inland Revenue do not regard the existence of the conversion option as limiting the protection given under section 58 by virtue of the alternative right to subscribe. That being so, there are no CGT complications, and probate value will stand (undiminished).

We do not know the precise terms of the conditions of the consent which has been given. It will not however avail you to give to the activity carried on at the premises in question a label which does not accurately reflect the business in fact carried on there. If there is an effective condition restricting the use to office and storage rooms you cannot conduct retail sales (other than by post) from the premises without a further planning permission.

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Education A new order of priorities

ANY ENTERPRISE which annually spends more than £70m, has well over half a million employees, and deals with about 8m customers in 30,000 establishments must reasonably keep pace with one another, or the buildings index is ahead, taking December 31, 1973, as our starting point, by November last year the buildings index was standing at 181 and the contents index at 173. So if you have avoided revising your

schools, find space in a timetable in most cases already overloaded? With knowledge increasing exponentially, one of the greatest problems in education is not so much what to put in as what to leave out.

Moreover in most teachers there is an understandable academic inertia which inhibits enthusiastic acceptance of the

every child will undergo some craft and aesthetic education.

With good will, none of this should present insuperable difficulties. But it must be realised that the common core will occupy at least 60 per cent of the timetable. The problem will be how best to utilise the remaining two fifths, given a very wide variety of other claims among the pupils.

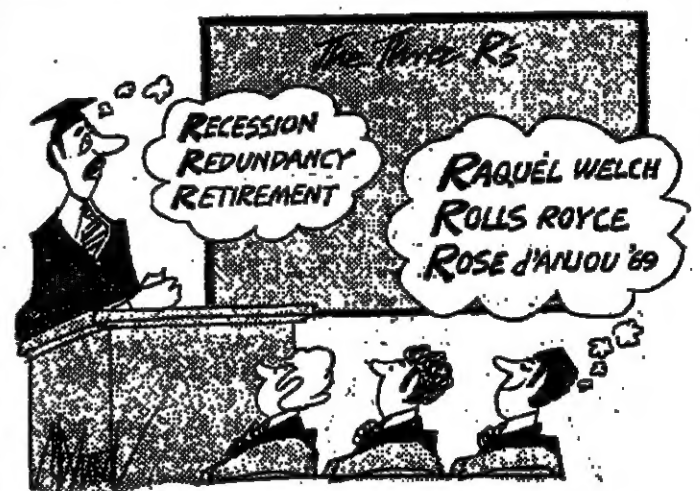
Industry should co-ordinate their efforts to redress a balance which is steadily tipping towards "non-productive" work. To set matters to rights requires, not just the much advocated adjustment of present school and industrial attitudes, but a radical reassessment of educational practice and a new order of priorities.

It is beyond the teaching profession to achieve this without practical help, as distinct from fine words and governmental tinkering with administrative machinery, from the other sectors of the community concerned. And it is even further beyond teachers' ability to meet what could well be the most threatening development on the horizon—the signs of the growth of a permanent pool of unemployed people.

Already it is very hard indeed to find employment for the subnormal child. It now seems inevitable that as the automation of work increases, the scarcity of job opportunities will extend to affect more and more of the less academically able pupils. As things are, schooling has very little hold on the interests of many thousands of this group. Often, in my experience they would not bother about the Three Rs unless these could be seen as a help towards paying for the Three Bs—beer, bikes and birds.

So if our society is going to move to a position where a job, far from being a right, is a privilege, society needs to help the education profession to devise curricula which match the needs of those who no longer have work prospects to motivate them.

THORNTON PEARN



The primary question is, of course, what are the schools for?—what should they teach, and who should decide? And we professionals have certainly not lacked general advice on this topic.

We are told that in addition to a "core" curriculum of numeracy, literacy, science and a foreign language, schools should teach the basics of road safety; elementary law; problems of the environment; Preparation for parenthood; sex education; consumer affairs; and politics, among other "essentials." All these are worthwhile aims.

To take but one example, the school-leaver has usually an alarming ignorance of political affairs, and no less a body than the TUC has pinpointed the truth that most young people leave school politically and economically illiterate. But as with all the other admirable suggestions, questions remain unanswered. First, where do we find the teachers? Only one university department of education has appropriate specialist staff, the contribution of the colleges of education in this field is minimal, and as far as I am aware, no local authority has appointed a special adviser

need of training for a different expertise.

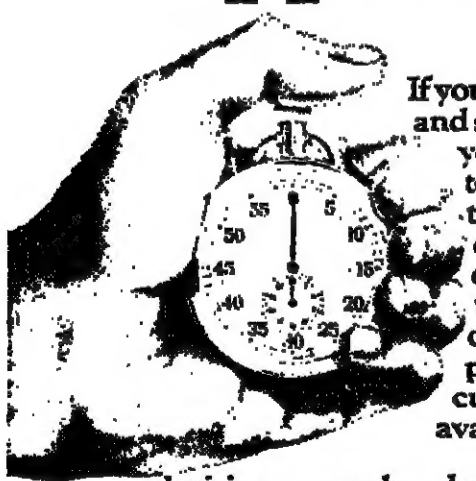
Equally important is the question of definition. What do we mean by mathematics? What relative emphasis in "English" do we place on syntax, poetry, use of language, reasoning power, and so on?

I believe that the eventual outcome of the debate will be that schools are forced to accept the idea of a core curriculum, which incorporate an agreed syllabus for literacy, numeracy, science, physical and moral education, and probably a foreign language. In addition,

How children shall be taught is a professional problem which must be left to the teachers, who may well be given a veto when they feel that parts of a suggested syllabus are, perhaps, too difficult or emotionally sophisticated for a particular group.

But I do not think we should go further and leave the choice and development of all subject matter to the teachers. What to teach is too vital to be left to any one section of the community, even professional educators. Particularly, it is becoming imperative that schools and

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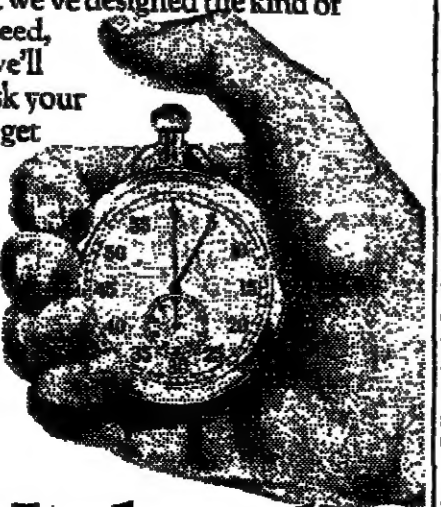
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Coins Genealogical excellence

IN THE history of the applied arts there has probably never been a family to equal the Wyons. Since Peter George Wyon came over to England from Cologne in the reign of George II, to work as a silver chaser, engraver and medallist, 17 members of this remarkable family have worked as engravers, sculptors and medallists. The late Allan Gairdner Wyon (1882-1962) was a sixth generation artist in the numismatic field and I should be interested to learn whether any of his descendants are now carrying on this tradition.

Peter George Wyon's son George settled in Birmingham in the era of Boulton and Watt, when Birmingham craftsmen and technicians were running rings round the largely outmoded Royal Mint. George Wyon's talents were largely expended on the design and engraving of dies for the numerous tradesmen's tokens which took the place of a copper coinage at the time. Two of his sons carried on this work in Birmingham but the youngest son, James, moved to Dublin while the eldest son Thomas moved to London at the beginning of the 19th century. Thomas became Chief Engraver of Seals and also worked for some time on the coinage of George III.

His eldest son, Thomas II, was something of a child prodigy, winning prizes at the Royal Academy schools and the gold medals of the Royal Society of Arts in 1810 and 1811. In the latter year he was appointed Probationer Engraver at the Royal Mint and produced the

dies for the silver tokens of the Bank of England and Ireland. In 1815, at the age of 23, he was appointed Chief Engraver to the Mint. He died of tuberculosis two years later but his output in that brief period was prodigious, putting to shame the indolent and self-publishing Italian, Benedetto Pistrucci who was imported by the Master of the Mint in the belief that no one in England was capable of designing and engraving dies and that it was axiomatic that such talent existed only on the Continent.

Pistrucci is best remembered today for his superb St. George and Dragon reverse. Used originally for the sovereign and crown, it was not very popular in the 1820s and was dropped in favour of armorial designs. It was not revived till the 1870s and has since graced the reverse of most of the silver crowns as well as the gold coins. Pistrucci had been verbally promised the job of Chief Engraver after Thomas Wyon's death but the Statute of Limitations barred aliens from holding this post. The Master of the Mint got round this problem by leaving the post vacant and paying Pistrucci the handsome salary of £500 a year as a kind of freelance. Much of the actual work of Chief Engraver actually devolved on William Wyon, a cousin of Thomas II, who had moved from Birmingham to London about 1812. He was even more of a child prodigy than his cousin, winning gold medals in the Royal Society of Arts competitions. When Thomas II was appointed Chief Engraver in 1815 William



became Assistant Engraver at the age of 20. When his cousin died two years later he became the natural successor to the post but the temperamental Pistrucci drew the salary and poor William had to get by on a much lower sum and do the actual work of Chief Engraver in conditions far inferior to his predecessors.

A compromise was effected in 1828 when William was appointed Chief Engraver in name as well as in fact and Pistrucci was created Chief Medallist. Wyon got a salary of £350 a year, plus a lump sum of £500 to compensate for the low pay of previous years. Thereafter William Wyon dominated British coin and medal design for almost a quarter of a century. He became an Associate of the Royal Academy in 1831 and a medallist to attain this coveted honour. Although Pistrucci was ostensibly in charge of medal engravings, some of the finest medals of this period were Wyon's work, notably the Guildhall Medal of 1833 bearing the profile of the youthful Victoria which was subsequently adapted

for the effigy on all British postage stamps from 1840 to 1901. Wyon himself engraved the dies for the embossed stamps of 1847 and his initials W.W. appear at the base of the Queen's profile.

But it is in the coinage of William IV and Queen Victoria that William Wyon's genius as an artist and skill as an artist and skill as a craftsman are best exemplified. The warmly human portrait of the bluff, old sailor-king and the spirited profile of the girl-queen rank among the finest portraits that ever graced British coins. His reverse designs often injected new life into hackneyed themes, such as the seated Britannia of the pennies. He was also responsible for the beautiful "Gothic" coinage of the late 1840s, reflecting the early Victorian fashion for medievalism.

Probably his finest design of all was that engraved for the reverse of a proposed £5 gold piece in 1839, showing the young Queen, as Una, leading the British lion. This may be seen as a delicate allusion to his old rival St. George and the Dragon. The £5 coin never got into general circulation and is regarded only as a pattern. A fine proof example of the Una and Lion £5 is one of the highlights of Glendinning's sale of English and Foreign Coins on Wednesday, February 1. Patterns or trial pieces are, of course, of immense interest to numismatists as examples of what might have been and one often forms the impression that they are more attractive than the issued coins.

JAMES MACKAY

Travel

Choose
and
cruise

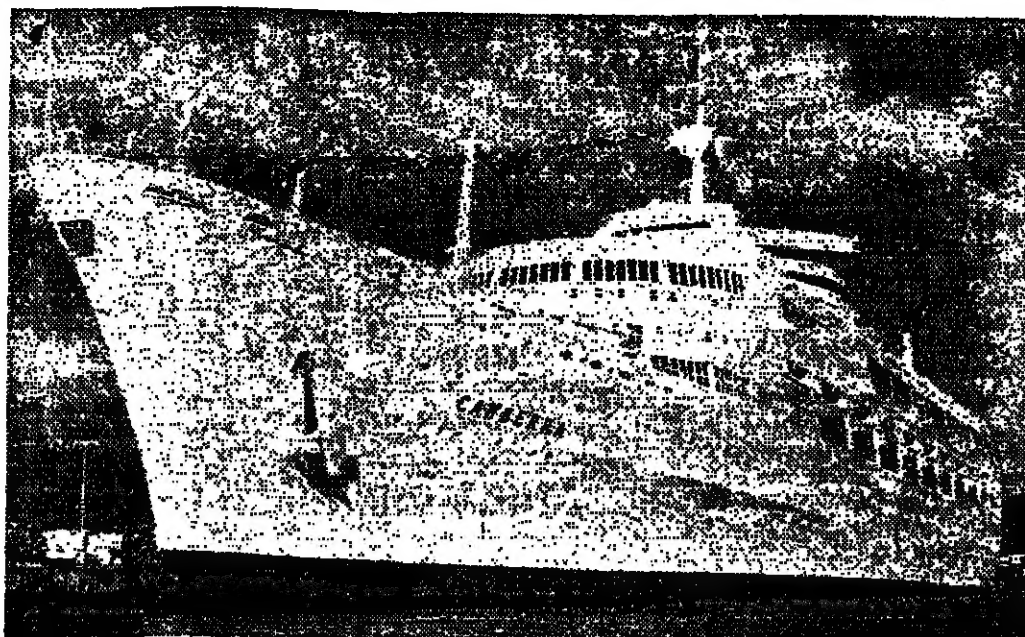
Y PAUL MARTIN

THE CRUISE market has remained relatively buoyant in recent years and, with a feeling that we are now steering a slimmer economic course, the options are all there for you to choose. There have, of course, always been the regulars who are never happier than when in boardship. They have done it so often that they know the characteristics of each ship and, after surviving that first reath-taking glimpse of the Bay of Naples, they now no longer even bother to go ashore.

The choice of a first cruise may provide an introduction to a way of life that will set your holiday pattern for years to come. However, when you consider the almost endless permutations—the straightforward sea voyage from a U.K. port, cruise-and-stay arrangements and fly-cruises, picking up the ship in the Mediterranean or the Caribbean—it really is worth deciding in advance whether you want to spend the majority of your time at sea or, as in the Aegean, hop from one entrancing island to another overnight in the virtual certainty that your days will be filled with sunshine and interest.

I have mixed feelings on the subject of the conventional and the fly-cruise. A self-confessed poor sailor would be well advised to give the Bay of Biscay a miss and opt for a fly-cruise. Even so, I still feel that the three days spent in reaching warmer weather are part of what it is all about and provide the true flavour of cruising.

A mini-cruise is a relatively inexpensive way of finding out whether this is your way of life and Fred Olsen/Bergen Line, with one of the few true mini-cruises still operating, has recently announced a new low fare of £49.50 for the remainder of this month and early February for mini-cruises from Newcastle to ports in western and southern Norway. Departures are on Mondays and Thursdays. Meals, including the sumptuous Norwegian cold table, are included and the three or four day trip offers a quick way of trying out your sea legs.



P & O liner Canberra



Fred Olsen continues to operate Blenheim on the regular run from Milwall down to Madeira and the Canaries until May 11 and, trying out a fly-cruise arrangement, I flew out to Madeira with TAP and spent a couple of days there before returning home by sea, incidentally through a miraculously calm Bay of Biscay. The food was superb and I thoroughly enjoyed three days of cruising at its best. The minimum fare is £270 and, with a high level of repeat bookings, discounts are available to members of their Winter Cruise Club.

If cruise fares seem high, they always include a good many items that you would normally pay as extras on a holiday ashore. Forget all about diets as you will be tempted with food for at least sixteen hours a day. Early morning tea, elevenses, coffee after lunch and dinner, afternoon tea and a late night snack assure the well-being of the fatter person.

P&O are a great English tradition and, operating an open-class system, fares are graded according to the location of your cabin. Everyone enjoys the complete run of the ship. Incidentally P&O list no less than 36 items that would elsewhere involve dipping your hand in your pocket.

All the old cruising magic comes back when, in the early evening, Canberra or Oriana pulls away from the quayside and cruises majestically down Southampton Water. There are reductions on some early season departures and a 14-day cruise, taking in Corfu, Dubrovnik, Naples, Tarragona and Gibraltar and leaving on April 16, starts at £325.

Their sister company, running the long-established BI Discovery Cruises, enables you to get the very most out of your holiday with a detailed introduction by a specialist to each port of call. Although these are educational cruises, no one will

pressure you to attend the lectures and many excursions that are included. Flying out to Naples and picking up Uganda there, a 13-day cruise on March 1 includes Syracuse, Alexandria, Haifa and Heraklion as ports of call before you return from Venice to Gatwick. Prices are from £371 per person.

Norwegian America Line's luxury liner Vistafjord, which does some relatively long cruises in the Caribbean, claims justifiably that these are "exclusively de luxe." With departures on February 17 and March 17, a 31-day cruise, flying out to Miami and embarking at Port Everglades, takes you through the Caribbean and on to Venezuela at a lowest price of £1,460.

Nearer home and later in the season, Vistafjord includes the Polar Circle, Iceland and Spitzbergen on departures from Newcastle and Tisbury in July and August. The lowest fare is £635.

Q&Z has two cruises from her home port of Southampton, heading north on May 6 to Scandinavia and Holland and visiting the Canary Islands and Madeira on October 2. Prices for both cruises start at £345.

Among the least expensive cruises, marketed by CTC, are those on Russian ships which, in addition to fly-cruise arrangements to the Black Sea, include a week's voyage on May 29 from Southampton to La Rochelle, Santander and Jersey on the Leonid Sobinov. The lowest price, in a four-berth cabin with shower and toilet, is £120.

The choice is almost limitless and, in addition to those I have mentioned, I have given the addresses of some other cruise companies which will gladly provide full information on request.

ADDRESSES:

Costa Line Cruises Ltd, 16, Maddox Street, London W1R 9PL
CTC Lines, 1-3, Lower Regent Street, London SW1Y 4NN
Cunard Line, 8, Berkeley Street, London W1X 6NR

Fred. Olsen/Bergen Line (North Sea and Canary Islands) 299, Regent Street, London W1R 9AP
Keltic Frowse Travel Ltd., 74, Old Brompton Road, London SW7 3LH

Norwegian America Line, 11, Quadrant Arcade, Regent Street, London W1R 6EJ
Paquet Cruises, c/o UTA Ltd., 177, Piccadilly, London W1V 0LX

P & O/B Discovery Cruises, Beaufort House, St. Botolph Street, London EC3A 7DX
Royal Viking Line, Kayser House, 2-4, St. Mary Axe, London EC3A 8BP

TAP, Gillingham House, Gillingham Street, London SW1V 1W

Year Week-end £: Austria 24.00, Belgium 42.00, France 1.50, Italy 1.60, Greece 24.00, Spain 12.25, Switzerland 2.50, U.S. 1.50. Source: Thomas Cook.

SPAIN

Madrid, Granada, Seville and Santiago de Compostela are among the Spanish cities listed in our new booklet.

There are also suggestions for two and three centre holidays: a coach tour through Andalusia, and details of some of the best seaside hotels—the beautiful Hotel de la Gaviña at S'Agaró, and the Gran Hotel at La Toja to mention only two.

Travel to Spain is by scheduled flight and our arrangements can be amended to fit your exact requirements. May we send you details?

HAYES & JARVIS (Travel) LTD., 6, Harriet Street, Belgrave, London, S.W.1.
Tel: 01-235 4660 or 4675

SMALL WORLD'S

HOLIDAY GLOSSARY: 6
Meinert: A strong wind which blows from the Aegean during July and August and has a nasty habit of turning the Cyclades into the Suez Canal. That is why Small World's Aegean Cruising this year is based on Rhodes where our motor cruiser Small World I sees off for international cruising amongst the islands of the Dodecanese (Rhodes, Kos, Naxos, etc.) and along the coast of Southern Turkey (Bodrum, Gdus etc. some weeks, Marmaris, Kas, Antalya etc. other weeks). Two weeks from £339 including full board, unlimited wine and return flights. Ideal for landlubbers.

CORFU whence our 4/5-berth yachts, with or without skipper, set off for voyages in the Ionian Sea—the islands of Paxos, Lefkada, Ithaca and Cephalonia and the coast of Epirus—every fortnight. Two weeks from £170 including flights to and from Athens and one shared taxi. Ideal for yachtsmen and those who yachmen. Low of other ideas in our brochure.

SMALL WORLD'S TRAVEL WORKSHOP, 1 Gillingham Street, London E14 3JZ. Tel: 01-240 3233 (cruises) or 01-256 7836 (yachting).

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PONTERICIA (Portugal)—The well-known holiday resort of the Escorial. Sunny situation with excellent snow conditions, healthy mountain climate. Tourist Office: CH 7504, Ponteviccia.

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Fashion

The sign of the two zebras

THE INVASION of Britain by continental menswear designers continues unabated and, for one, welcome the competition. They tend to design complete looks which take the bother out of hustling about frantically matching this up with that, or, more likely, nothing up with nothing. The inestimable relief of being able to rely on the taste of one shop is a joy and a boon for the man unsure of his own taste, harried by the taste of his wife, envious of the taste of his friends, and who wishes to be reassured that he is buying a fashionable, co-ordinated look in these days when total effect is more important than the sum of the constituent parts.

These thoughts are prompted by the recent arrival of a new shop in Covent Garden, called Les Deux Zebras at 38 Tavistock Street. It is run by two French menswear designers, Marc Boyer and Pierre Coppini who not only set the style for their shop but also design wholesale menswear ranges for their shop and for sale elsewhere. From the stock presently on sale at Les Deux Zebras, I've put together two looks as illustrated—both involving cord trousers, a shirt and a sleeveless body warmer but each very different in texture and sophistication. Winter woollies will be in stock until their forthcoming winter sale which will clear out clothes to make way for the introduction of the spring ranges from reliable names such as Mic-Mac, Ventiler, Faconnable, Equipment, and some North American ranges.

The shop, like so many of the better menswear suppliers, could be called a "male boutique" if the term had not become suspiciously pejorative in implication. But a better equivalent would be to call it a male "modem" shop—a place where, if the stock suits your taste, you can return time and time again and be sure that there will be something suitable to buy and to wear chosen by buyers whose ideas coincide with your own.

Les Deux Zebras is assured of



Drawings by Colin Baker

a welcome from me at least, but the British reception of foreign fads and fashions has not always been ecstatic. To Shakespeare, it was degrading that Elizabethan youth should listen to the Report of fashion in proud Italy.

Whose manners still our tardy opish nation
Limps after in base imitation.
And Portia derides the English lord: "who bought his doublet in Italy his round hose in France, his bonnet in Germany, and his behaviour everywhere."

Even Richard III translated of Les Deux Zebras means not a couple of camouflaged animals, but that the phrase is applied to people in the case of latter-day fashion at least, is not so obvious. Elizabethans, in any menswear fashion to-day it is more likely than not that the coats are Italian, the socks French, and the style in behaviour and appearance. In the fashion jungle, the zebra sets his own style.

IAN FINLAYSON

Dry and
warm

WINTER SEEMS to have struck pretty hard worldwide this year. From the fog and chill of Europe to the torrential rain in California nature is drumming home the message that sometimes looking trendy comes a poor second to keeping warm and dry.

A couple of nights ago I had my own winter woollies really put to the test. At two in the morning my hotel in Philadelphia caught fire. I was on the sixth floor, the fire on the fifth. But it was no towering inferno. After a lot of smoke and a lot of noise it was all over. However, I and several hundred others were rushed out of the building into a Pennsylvania snowstorm and a temperature of 14 degrees F. It was an hour before I all nervously got back to bed. In future I will read fire instructions more carefully.

As far as I know, no one has designed a range of suits to escape from fires in, but this winter has seen an abundance of well-designed, comfortable clothing, suitable for looking good under chilling circumstances.

Tweeds, cords and heavy

knits are in vogue, and all of them loose-fitting, easy-going items that are a pleasure to wear. The return of tweed to urban social respectability means that we can stop pretending that lightweight suits are all you need in this centrally-heated world of ours.

Two groups with wide coverage throughout Britain have some interesting offerings should you feel the need to rush out and get some warmer clothing. Hornes has a range of cord jackets and trousers which can be bought as suits or separately. If you are seeking the chunky look this is it, complete with button-down pockets (leather football buttons) and heavy-weight material. They come in a greyish-blue, grey or brown. The jackets cost £37.50 and the trousers £16.00.

Peter Brown is a chain that is rapidly gaining a name for thoughtful, medium-priced clothes which are fashionable without being outrageous. Illustrated is a Harris tweed sports jacket in grey which is superbly comfortable and good-looking. When I tried it on, my wife made that classic double-edged comment: "It's very slimming." It costs £59.99.

The Horne cord may be just a bit too relaxed for City work, but this certainly is not the case with the other Peter Brown outfit illustrated. Again in Harris tweed, this three-piece suit costs £105 from the group's main branches and is available in sizes 36-44 inches chest. The jacket is in sizes 36-40 inches.

ARTHUR SANDLES



Drawings by Jon Wheeler

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Gardening

How to profit from burning

"PLEASE TELL ME" writes a reader "what I can do with wood ashes, of which I have a considerable quantity. Can I use them safely in the garden and, if so, how and where?"

The short answer is that wood ashes are a valuable source of potash, one of the three essential plant foods most likely to be in short supply in the soil. For many generations it was the only fairly concentrated source of potash for garden use until, just about the time Queen Victoria came to the throne, natural deposits of potassium salts were discovered in Germany. So kainit came into being with its more or less steady 12-14 per cent potash (K2O) content followed later by purified salts such as sulphate of potash and muriate of potash with around 50 per cent potash and these, with their ready availability and known potash content, pushed wood ashes into the background.

For wood ashes are largely unpredictable and there is hardly ever enough to go round. How much potash any given sample contains depends a great deal on the material from which it was made and the way the ash has been stored. Contrary to popular belief, it is not the hard wood that produces the best wood ash. Soft herbaceous refuse, when burned, gives a much richer ash and it

is said that young bracken can grow as much as 50 per cent potash, rivaling the most expensive potash salts in fertiliser value. But that is when it is fresh. If it is left lying outside for a long great deal of the potash will be washed out and the value of the ash will decline steeply.

The potash content of some wood ash, that obtained from burning sawdust, for example, can fall as low as 5 per cent, with 7 to 8 per cent as a fair average for the fresh ash. But if young prunings are burnt the potash content can climb quite steeply.

So one drawback of wood ash is that there is no easy way of telling exactly how much potash it contains. Another is that the potash is present as potassium carbonate, an alkaline salt which will increase the alkalinity (or conversely, reduce the acidity) of the soil. This could be bad for lime-hating plants such as rhododendrons, azaleas, and some heathers, all of which thrive in moderately acid soils and become severely chlorotic, with yellowing leaves and failing growth, in soils that are neutral or alkaline. I have known gardens, particularly those attached to large, well timbered estates where there was a great deal of wood burning, that have become so alkaline due to the use of large quantities of wood ashes over

a number of years that it became almost impossible to grow anything in them.

The lessons to be learned from these facts are, first, that wood ashes should either be used immediately or that they should be stored in a dry place. It is also apparent that they are safer to use in quantity on soils that are acid than on soils that are alkaline, though I would not stress this point too much since most gardeners on alkaline soils have usually come to terms with them, have accepted that there are some plants which they cannot grow without special precautions, and have settled for those (and there are plenty of them) that prefer alkaline soils. Still there are limits to all things and even for the lime lovers one does not want to push alkalinity much above pH7.5. Cheap and easily used soil testing kits are available which will reveal in a few minutes the approximate pH of the soil, so when in doubt it is wise to make an occasional check.

Unlike animals, plants get a great deal of their food from the air. What they require from the soil are large quantities of water and very small quantities of a dozen or more inorganic chemicals. Most of these are usually present in sufficient quantity. The three most likely to become deficient in heavily cropped soils are nitrogen,

phosphorous and potash and these are the chemicals supplied, in varying quantities, in most compound fertilisers. The price of all these chemicals has rocketed during the past few years and potassium salts have always been among the most expensive ingredients, so wood ashes should certainly not be wasted.

Nitrogen, phosphorous and potash interact in the plant in complicated ways, as do the other food elements required, and acute shortage of any one can produce spectacular results often similar to those caused by some diseases. But, broadly speaking, nitrogen shows its greatest influence in increased luxuriance of growth combined with deeper leaf colour, phosphorous increases root development, particularly noticeable in the early stages of growth, and potash has its greatest effect in promoting fruitfulness and ripening. It follows that wood ashes are particularly valuable for fruits of all kinds, not only the top fruits such as apples, pears and plums, but the bush fruits such as gooseberries and raspberries, blackberries and loganberries, also strawberries, but also for crops such as tomatoes, cucumbers, marrows, aubergines, capsicums, peas and beans, all of which are grown for their fruits though one does not always think of them as

such. Some plants signal very quickly and clearly when they are short of a particular food. Gooseberries do this for potash by producing scorched leaf margins which are quite unmistakable. A top dressing of wood ashes will put this right in about a year but one must not be too impatient since it takes time to rectify a food deficiency that has built up over a long period.

This brings one to the crucial question, how much to use? Since the actual potash content of the wood ashes can vary by a factor of ten, that is a hard question to answer yet some answer must be given. I think the best compromise is to assume a potash content of 10 per cent, approximately one-fifth that of sulphate of potash, and so to apply five times as much as would be used of that popular fertiliser. If that seems like dodging the question let me clarify it by saying that an average dressing of sulphate of potash is 1 oz per square yard (30 grammes per square metre) so the equivalent wood ash dressing would be 5 oz per square yard (150 grammes per square metre). If the soil is one that is teetering on the borderline of over alkalinity it would be wise to follow up the application, two or three months later, with a check on pH.

ARTHUR HELLER

How to spend it

by Lucia van der Post

Piece prizes

THIS year for the first time the International Furniture Show was held at the National Exhibition Centre in Birmingham and a very fine setting for the furniture it turned out to be. The Furniture Show, as some readers may know, is the major exhibition at which trade and public may see the vast range of (mainly) middle-of-the-road furniture that will later be in shops up and down the country. Everywhere else you see the retailer's edited version of manufacturers' products—at the exhibition you could have seen the full range of the exhibiting manufacturers' designs.

I was once again asked to help judge the Showpieces of the Year awards and a wonderfully interesting exercise it always turns out to be. One can never fully explain why it is that one year most manufacturers seem to have gone a little mad, another year on cabinet furniture and yet another year, like this one, on seating units.

There were more entries for the annual awards than ever before with about 50 per cent more manufacturers competing than in any previous year. I felt that all the prize winners were very worthy winners, each of them had something special to recommend it—whether it was practicality, workmanship, value for money or design—but I regretted the lack of any designs quite as distinctive as, for instance, McIntosh's Cranston Collection from last year.

In all, the new venue at Birmingham seems to be accounted a big success and it certainly is a splendid site, made very easy to visit by the ease of the rail journey and the fact that the platform of the station leads directly into the exhibition halls.

From the manufacturers' point of view it was a success, too. McIntosh, for instance, did in one day the sort of business that they did at the whole of last year's show, while William Tullman (who, for the third year running, has won an award for one of his impeccably-made reproductions

pieces) also did more business in the first day and a half than he did in the whole of last year's show.

Though all the award winners may not be stunningly original or exciting most of them are easy to live with, reasonably priced and eminently practical. Certainly British furniture, in particular our reproduction furniture and upholstery, is much appreciated abroad and this is reflected in the spectacular growth of exports in the industry.

The rate of increase of exports is running way ahead of inflation in that for the past eight years it has been about 35 per cent per year. Last year there was a fantastic 50 per cent increase.

When the British Furniture Manufacturers got together some nine years ago to promote exports jointly the exports for a whole year were running at the sort of figure that is now achieved in one month.

Fortunately for the country as a whole the gap between imports and exports is widening considerably as well so that in the first 11 months of last year there was a £60m surplus of exports over imports.

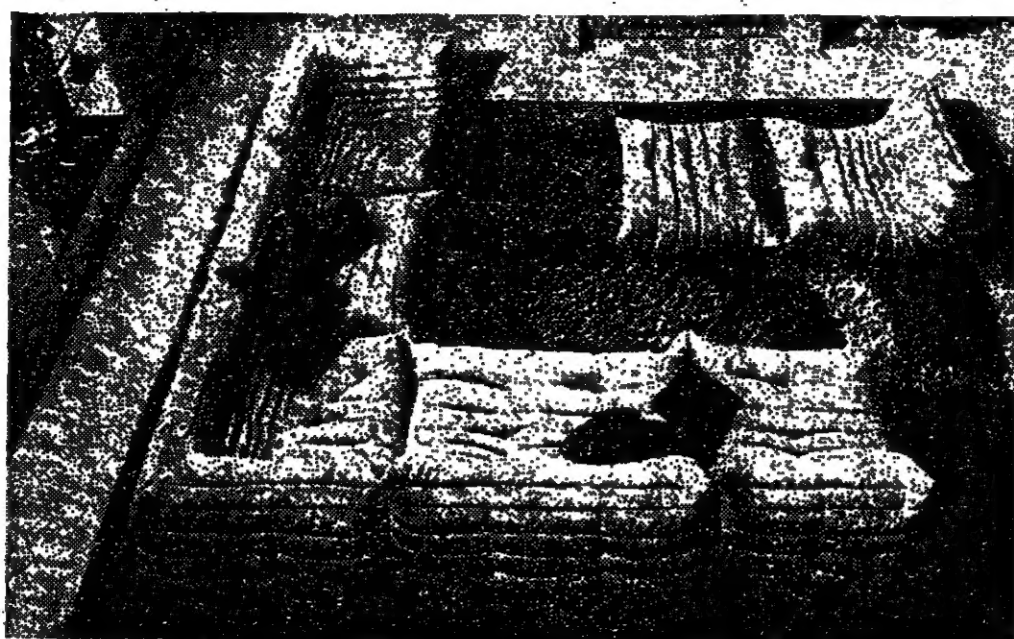
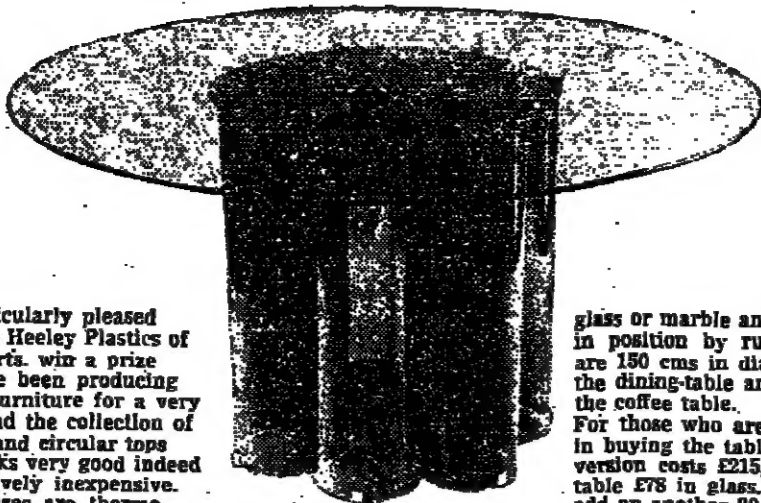
It's no secret, however, that home sales have been somewhat disappointing over the past few years and it is only very recently that manufacturers and retailers have been able to feel that at last the domestic market is picking up. Home sales were the great success of the exhibition and it seems that very good winter sales have meant that many retailers needed to restock their showrooms.

For those who were unable to get along to the show and want to know what sort of things are in store for the coming year, I've selected some of the award winners to feature, as well as one outstanding new design (the Scales ladder) which for some inexplicable reason, didn't enter for the award but was nevertheless exhibited at the show.

I WAS particularly pleased to see Banks Heeley Plastics of Royston, Herts, win a prize as they have been producing interesting furniture for a very long time and the collection of table bases and circular tops not only looks very good indeed but is relatively inexpensive. The table-bases are thermo-moulded from sheets of Perspex acrylic which may be bepal or a transparent smokey brown. The same principle is used to produce both the dining-table and the coffee

table—only the measurements vary, from 75 cms high for the dining-table down to 40 cms high for the coffee table. The table-tops, which may be in

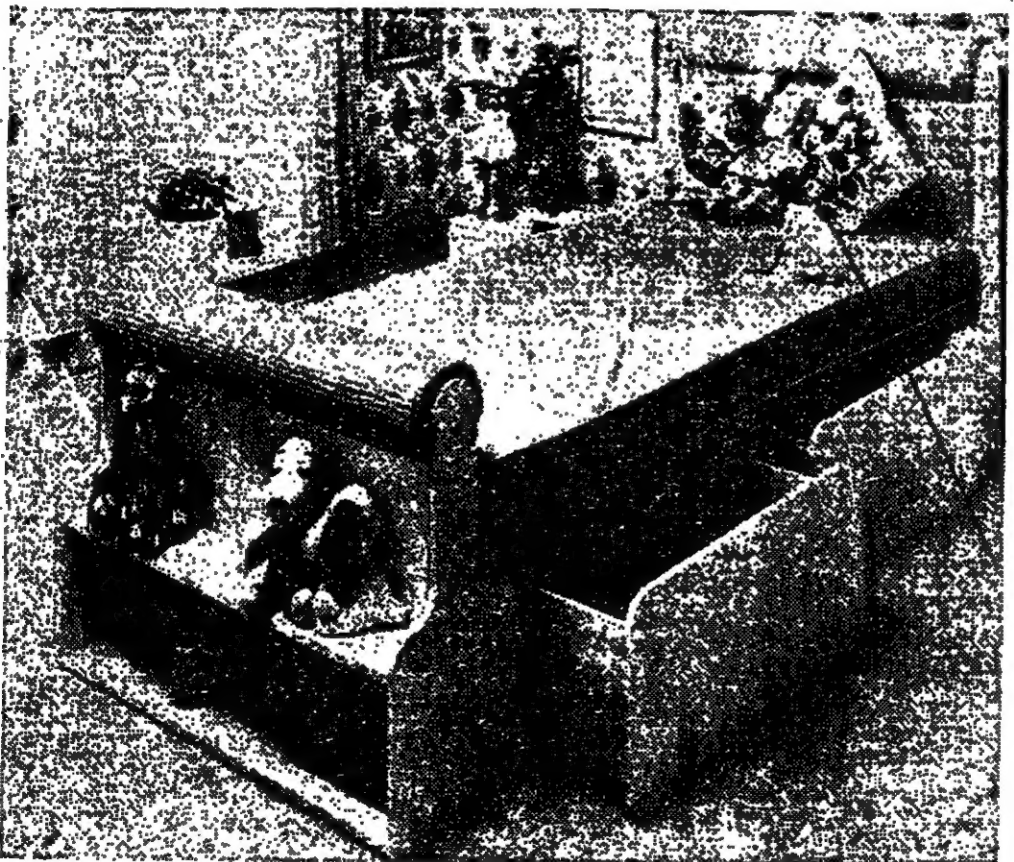
glass or marble and are held in position by rubber pads, are 150 cms in diameter for the dining-table and 100 cms for the coffee table. For those who are interested in buying the table the dining version costs £215, the coffee table £75 in glass. For marble add on another 20 per cent. Heely's of 196, Tottenham Court Road, London, W.1 will have it in mid-February but write to Banks Heeley for local outlets, at 33-35, Brook Road, Basingstoke, Royston, Herts.



JUDGING by the entries for the Showpieces of the Year award the exhibition itself must have been awash with seating units of every shape and description. We saw them stuffed with polyurethane, some rigid, some soft, some so large I disappeared right into them, some so uncomfortable I wondered whether anybody in the factory had ever sat on them and some so ingenious it made you think the designer had been set a "hummock them" design brief. Though much of the seating

was very beguiling (and I particularly went for Collins and Hayes range of upholstered furniture which offered a large number of alternative loose covers) in the end we chose to give the award to Togo seating for its up-to-date air (it looks informal) and its good price. The units have a foam core and are covered with a soft imported by John Higham, like the ribbed effect, achieved by stitching and buttoning and I liked the flexibility of the units themselves—single-seaters, two-seaters, three-seaters and

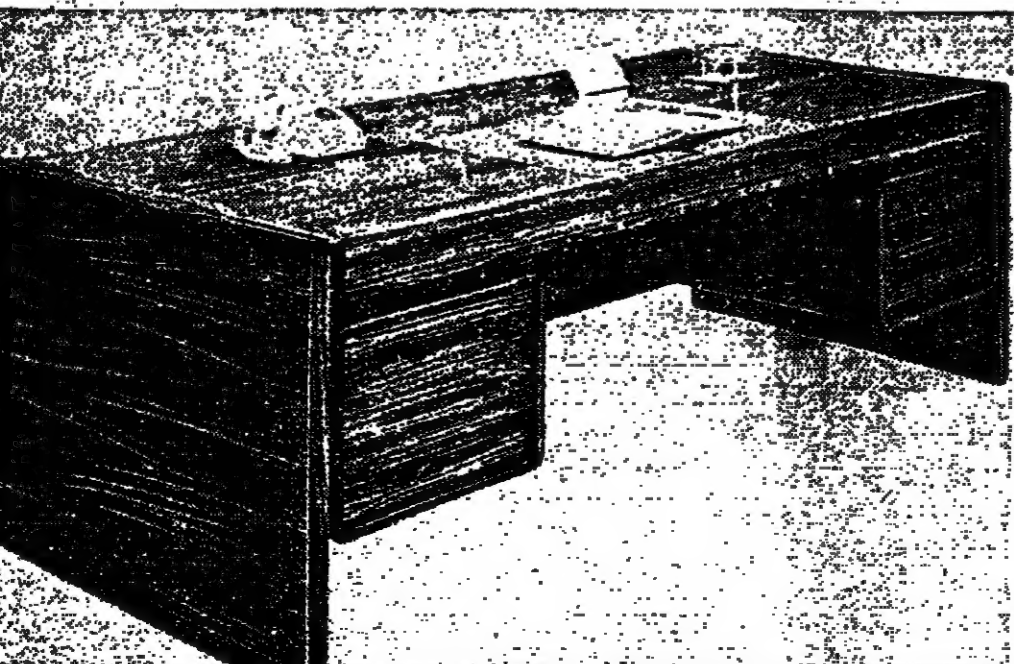
corner units can be selected and used to suit almost any room. The prices seemed to us very reasonable for the quality—a single-seater is about £117, a two-seater about £165, a three-seater about £225 while a corner unit for its up-to-date air (it looks informal) and its good price. Made by Roset SA of Montpellier, France the seating is imported by John Higham, Halcyon House, Church Lane, Great Missenden, Bucks, to whom you should write for local stockists. It is also on show in the new Roset studio at Healy's.



FOR SOME reason the nomination of Slumberland's Carousel seemed to arouse much discussion among the judges. I was one of those firmly in its favour, simply because having once had to try and furnish a minute room for a child I could see at once how a bed like this would have solved many of our problems. The drawers under the bed are particularly nice and

easy to use in that they run very smoothly, and the addition of the shelves at the foot of the bed gives room for books or other toys as well. Though I didn't much care for the choice of fabric on the headrest and footboard, it is easily removable and therefore, very easily replaced. Though it wouldn't be easy to make up a conventional bed on this type of

base, if made with a fitted bottom sheet and a duvet it would pose no difficulty at all. Clearly this isn't the bed for everybody, but I do see it as being useful to many people. It comes in a single size only, measures 216 cm by 95 cm and sells for about £139 (the drawers are about £10 extra each). At the moment it can be ordered through most Slumberland stockists.



I CAN'T think of many employers who would be prepared to provide their staff with a desk as magnificent as this but it certainly would be the supreme status symbol for the successful executive who'd made it to the very top. Not only is it marvellous to look at (the dark solid rosewood gives it great elegance) but it is eminently practical as well. There are three lockable drawers just below the working top while on the left

there is a three-drawer cabinet high (£1,495) it is made from solid wood, either rosewood or stained black ash, which is a great rarity in these days of veneers. Designed by John Waterhouse for the Danish firm of Dyrlund-Smith it is imported by Turberville Smith and Son and is aimed principally at the contract market. Any reader interested in it should contact Turberville Smith (in whose showrooms the desk will be displayed) at 16 Hay Hill, London, W.1.

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Wool makes its mark

A STUNNING new knitting book comes out this week. I'm not usually much inspired by knitting patterns as they are usually for that sort of serviceable garment that one can buy so easily and inexpensively in most of our good chain stores. However, knitwear has now become such an important part of the fashion scene and the garments that are in fashion have become so highly priced (Italian and French knitwear with the really up-to-date look have price tags that seldom drop below £20, frequently are around the £40 mark and occasionally go up to £100) that a knitting book of really up-to-date designs must be a good investment for those of you who can and do knit.

Many of you may have noticed that rather fragile, lacey-looking knitwear is back in fashion but most ordinary knitting patterns do not reflect this. It is also difficult to find patterns of really attractive jackets and coats. The new booklet, Knit One in Wool, produced by the International Wool Secretariat and the 13 spinners who make up the British Hand Knitting Association, puts all this right.

There are 44 knitting patterns and nearly all of them are, I think, lovely. There are some of the lacey-looking sweaters and cardigans. There's a Fair Isle V-neck sleeveless sweater for men (which is, of course, just the sort that many women would love to have but which is very, very expensive in the shops).

I particularly like this hooded long jacket—the International Wool Secretariat had it knitted up in a lovely speckly soft greyish-blue colour in which it looks marvellous. There's



a very fashionable long-line sweater (the sort that, on the very young, can be worn with thick tights and turned into a dress) as well as some nice thick-knit cover-up sweaters. The photographs, incidentally, are lovely and were taken by Brian Duffy.

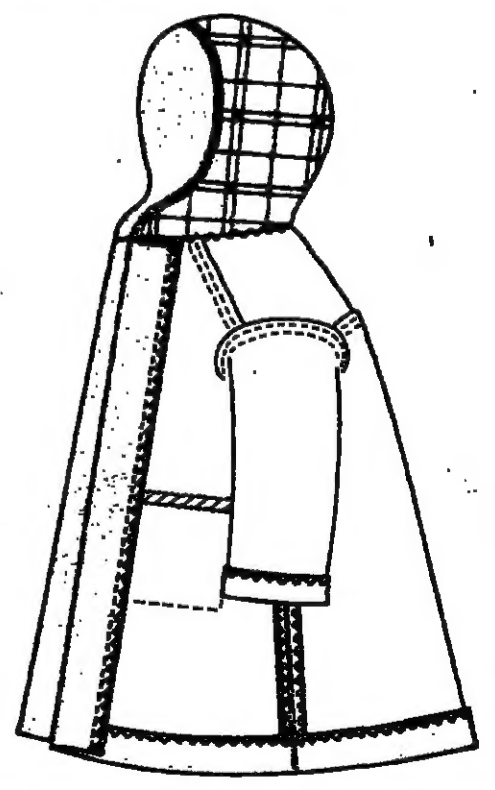
All the designs are by Erika Harrison, all are in pure new wool or wool rich yarns and some are in the machine-washable wool, Superwash.

The book sells for 75p and can be found in hand knitting yarn shops and department stores now. If you have trouble finding it you can buy it direct from: International Wool Secretariat, Wool House, Carlton Gardens, London, S.W.1. Send 97p which is the purchase price of 75p, plus 22p p. & p.

Sew simple

FOR THOSE who prefer to sew, or have to sew because it's the best and cheapest way to clothe their children, the BBC is launching a new series called Children's Wardrobe, designed to show viewers just how to set about making children's clothes themselves. To go with the series there is an excellent book called simply Children's Wardrobe, which may be bought direct from BBC Publications for £4.50.

The book itself has considerable validity all on its own. It has been written and edited by Ann Ladbury, and has beautifully clear and simple photographs and sketches (the sketch of the duffle coat, right, is typical). Included in a flap at the end are patterns for all 39 designs. Sally Tiffin, a very good and well-known dress designer, has been responsible for all the designs, which vary from the immensely practical (like the pretty quilted dressing gown and duffle coat) to the trendy (like the quilted Chinese-style jacket and flowered tiered pinafore and matching blouse). Though the book is worth buying on its own merits, if I were going to be at home for the ten programmes, which are on Mondays on BBC 2 at 19.05, starting from February 13, I would certainly watch them as well.



Long life bulbs

MOST people by now know that British Home Stores is an excellent source of well-designed, good-looking lighting. In the current future over the unwillingness of many retailers to stock Double Life Light Bulbs it hasn't always emerged that the BHS chain is a good place to find them. The chain consists of 103 shops, all of which sell these bulbs. They are available in 40 watts, 60 watts and 100 watts and in packs containing three bulbs of the same wattage. Each pack costs 54p or you can buy the bulbs singly at 19p each. They also stock 150 watt bulbs but these are 23p each.

Freezer alarm

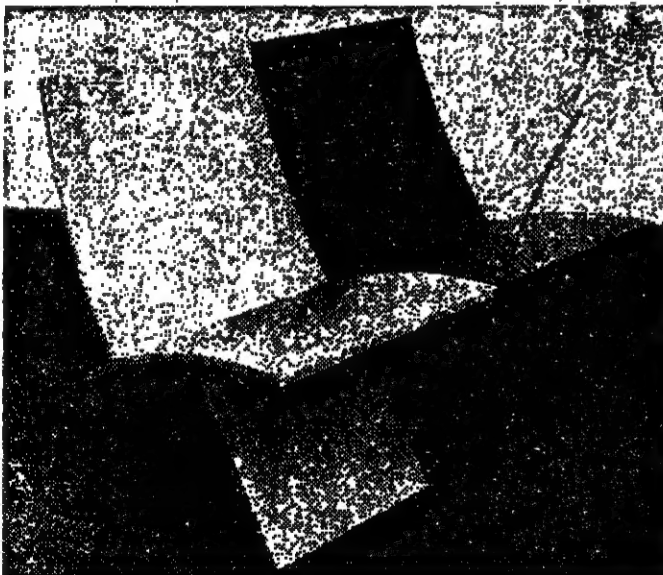
IT WAS over Christmas when my freezer was so full that I couldn't have found room for another packet of emergency supplies that I first began to worry about what I would do if anything went wrong with the freezer. Not only did I have a

whole succession of events to cater for but friends and relations were homing in on us from South Africa, Northumberland, Berkshire and London.

I couldn't see any way of coping with such a disaster, except to retire to my bed. In the event nothing did happen to the freezer and it is now considerably less full. However, worrying about it was sufficient to make me realise that all freezer owners should (a) take out some kind of insurance policy and (b) have a device which warns them if there is something wrong.

Yale Security Products have just brought out a freezer alarm which becomes activated if the temperature rises above minus 10 degrees C (14 F). It is a smallish gadget, operated by batteries which you fix to the outside of your freezer. It uses a PPS battery which should last for at least six months. If the temperature rises above minus 10 degrees an alarm begins to sound at which point you either beg some space in a neighbour's deep-freezer or persuade a willing electrician to come and deal with the problem. It costs £10 and can be bought

AUGUSTUS BARNETT
GREAT WINE & SPIRIT SALE
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SAUMUR BLANC
£2.50
TO-DAY AT 150 CUT-PRICE WINE SHOPS



THE JUDGES were all unanimous in liking this chair from the Danish firm of Falster Form—even those who had previously shown a greater inclination towards the strictly traditional. They were impressed by the simplicity of the idea, the fine finish of the wood and the practicality of the design. Our verdict was further endorsed by the trade who went on to order some 12,000 chairs in the first 36 hours after the exhibition opened.

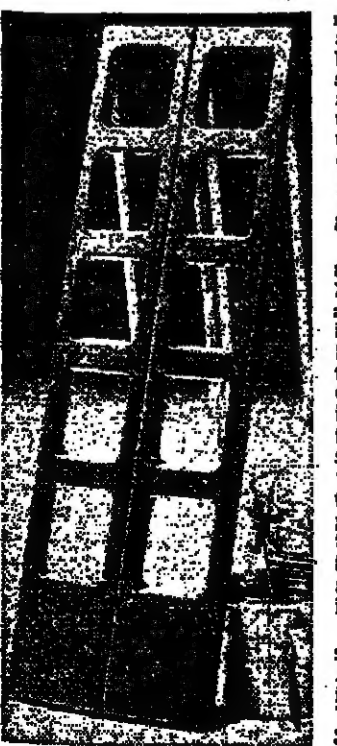
The chair is obviously designed for occasional use (not for slumping nightly in front of the television set) and it is made from two pieces of curved wood which lock together very simply and very firmly with no screws

or glue. To dismantle the chair for easy storage you simply separate the two pieces of wood, which then take up so little space they can be stored behind a door or in a cupboard.

I liked the chair best in the stained rosewood finish (this seemed to give it a great distinction), but there is a natural beech finish as well. In all it measures 54 cm in width, 74 cm in depth and is 79 cm high.

Though it is upholstered it is surprisingly comfortable because the wood supports the back in just the right way.

The suggested retail price is £35 and for local stockists you should write to: Michael Carr-Jones, Allard House, Verney Road, London S.E.16.



EVERY eighteenth-century gentleman had his library and what he then needed, of course, was a set of library steps to help him reach the upper-most shelves. Eighteenth-century cab-

net-makers were very ingenious at providing answers to the problem—most people have seen the semi-circular steps attached to a central pole which comprise the usual library steps but even neater were the steps that were contained within what looked like a slim pole which opened out to reveal a ladder structure of great strength and flexibility.

A modern ingenious design is shown photographed on the left. Made from moulded ABS plastic and duraluminium, when not in use this ladder folds away flat like a book. It rejoices in the name of Scales, weighs just over 13lbs and the steps may be in either red or white while the frame is of duraluminium. We show the steps ready for use but when you want to fold it away the supporting struts fit into grooves behind the steps and then the entire ladder can be folded in half vertically to occupy a space of 20 cm in width, 132 cm in height and 8 cm in depth.

The ladder is currently on show at the Museum of Modern Art in New York and it is being imported from the Italian firm of Velca by Victor R. Mann, Unit 3, Mitcham Industrial Estate, 85 Streatham Road, Mitcham, Surrey.

The ladder sells for about £55 and is on sale at Forns Interiors, 159 Upper Richmond Road, London SW15. For other stockists write to Victor R. Mann at the above address.

Property

Catching the habit

BY JOE RENNISON

IF YOU ARE, as I am, a married house-owner but still a devout and unashamed male chauvinist pig—or if you are thinking of getting married and buying a house, or even staying single and buying a house—your heart must have been uplifted by the news from the Abbey National Building Society earlier this week.

It is still—as the good Lord always intended it—a man's world. It is nice to know that our superiority—and what greater measure of superiority can there be than in the ability to buy a house—has been recognised by A BUILDING SOCIETY, one of the chief props of the conspicuous consumer society?

The Abbey decided to produce a publication showing the house price averages over the country and who was buying what. Unfortunately, at the same time they have blown the gaff on what could be interpreted as their, or other societies', lending priorities. While these will not doubt be endorsed as a whole by the male population, it could lead to nasty scenes outside many an Abbey office.

The Abbey has broken down the house-buying population into four classes of citizens. Like the Almighty, the Abbey created them thus—Class 1. Married, Class 2. Sole Male, Class 3. Sole Female, Class 4. Is something the Abbey describes as "Joint Other." You are free to speculate on what this means.

You will see from the Table that the price of the houses bought by the four categories go in descending order. The poor Joint Others come nowhere in the cost of this status symbol.

Now it could be true that a married couple always choose a house that is more expensive

than that a Sole Male would choose—and naturally the Sole Male would choose one more expensive than the Sole Female and she would of course pay considerably more than the two (presumably joint income) Joint Others. There is approximately a £1,000 gap between each category.

I have my doubts. Now the figures given by the Abbey are house prices based on the actual sales involved and I am not questioning those figures. But try to switch your minds to another tack and imagine the figures represent the amount of money loaned by a building society on such properties. A pattern seems to emerge which would suggest a class structure.

It is particularly between Class two and Class three that there seems to be something of a credibility gap. In these days of sex and income equality (particularly among the kind of people who buy houses) it seems odd that the female should plump for a house or flat a thousand pounds cheaper than the male. Or do females always want a house that is so much smaller and therefore cheaper? There was a time in the not-too-distant past when single females were very much discriminated against in building society lending. Could it be that old habits have not yet quite died out?

The same goes for the gap (proportionally larger) between what was paid by the single woman and the Joint Others. Can it be that the joint incomes are less than a single woman or man or the total income of a working man with working wife? Could it be that the building societies are reluctant to lend to people who have not actually tied themselves together—for this joint venture—through the bond of matrimony?



Do people have to resemble the ideal married couple who feature in so many telly adds to take the greatest advantage of the housing market?

If such a feeling got through to the population in general it could lead to some odd situations. Men could start bribing women to say they are their wives and so improve their chances. Sole Females might lie in wait in dark alleys for Sole Males and drag them off to the nearest church. The Joint Others could face some tragic situations such as the following: J.O.1: "I'm leaving you to climb the Abbey social ladder."

J.O.2: "You traitor. But I will tell you something I've been wanting to say for a long time. I'm with the Woolwich."

There can, of course, be other explanations for the Abbey figures—as indeed the Abbey is anxious to point out. It is argued, for instance, that married couples will on average go for a larger and therefore more expensive home than those other categories. This is a fair point and probably accounts for this price difference.

As far as the singles are concerned, Abbey argue that there is still no such thing as equality of incomes between the average male and female. Women are still a lot worse off and it is inevitable that this should show up in the prices they insist that there is no such thing as discrimination in lending against the single woman. The point about the

Joint Others was rather glossed over with arguments that there could be two or more in the contract so there was no way of making any detailed analysis. Groupie mortgages, nevertheless, are obviously considerably smaller than the average.

Perhaps I am just cynical but the whole thing just does not ring true. While not doubting the abilities of the compilers of such a price indicator, I feel they could be reflecting the habits over lending policy of their many branch managers—which taken all together result in the kind of pattern I have suggested. I hope I am proved wrong.

In this first edition of *Homes, Prices and Places*, the Abbey does a breakdown of the kind of people buying certain types of property. The trends are interesting. The buying habits of first-time buyers and existing owner-occupiers are in marked contrast. First-time buyers account for 77 per cent. of flats and 71 per cent. of terraced houses, owner-occupiers account for 63 per cent. of bungalows and 79 per cent. of detached houses. Semi-detached houses, however, are in almost exactly equal demand from the two sectors. 51 per cent. of them go to first-time buyers and 49 per cent. to existing owner-occupiers.

These differences are largely due to comparative prices but if that were the whole story semi-detached houses (only slightly more expensive than flats) would also attract a high percentage of first time buyers. The

practical advantages of the "semi" clearly retain appeal for many who have already experienced home ownership. As far as the housing market in general goes, the opinion is that "The present active market will continue well into 1978. All types of house will be in demand. Building societies' carefully built-up liquidity should enable them to maintain a steady flow of mortgage funds and to consider a wide variety of types of property."

A notable feature will be the urban and especially the inner urban areas. With the Government, local authorities and



Two very attractive properties on offer this week through the same agent. It would be hard to make a choice between them. Savill's London office is selling Whitmoor House, near Worplesdon, Surrey (above).

Accommodation consists of five reception rooms, kitchen, six main bedrooms, five secondary bedrooms, two guest bedrooms, six bathrooms (three en-suite) and with all-fired central heating.

One of the features the house has to offer is a magnificent indoor heated swimming pool. The estate also includes a cottage, lodge and hughaw, garraging for six and a delightful old Tudor farmhouse ideal for conversion (subject to planning permission). The gardens extend to about 3½ acres which are informally laid out, with a strip of woodland providing protection from the south, and there is also a tennis lawn and

walled vegetable garden. The figure anticipated is in excess of £200,000.

Savill's Norwich office have on offer King Row Farm, Shipdown, Norfolk (left). The old farmhouse with its exposed beams is fully modernised, with double-glazing and oil-fired central heating, and was redecorated in 1977. The farmhouse is set in unspoilt countryside, surrounded by agricultural land. The accommodation comprises: three reception rooms, kitchen, pantry, two store rooms, games room, cloakroom, five bedrooms, shower room, bathroom box office, range of farm buildings, hard tennis court, pond, garden and grounds extending to just under two acres. The gardens are attractively laid out with extensive lawns, separate orchard and vegetable garden. Savill's are asking for a figure of £35,000 for this attractive property, which is also licensed as breeding kennels.

building societies all concerned with the restoration and the highest potential price encourage the move back to the rises may come here. The town.

Chess

THE CONTENTIOUS atmosphere at the end of Kornechni's 10-7½ victory over Spassky (seven wins to four, with seven draws) may be an ominous foretaste of the world title match later this year when Kornechni, the Soviet expatriate, challenges Karpov, the USSR world champion. Spassky resigned the final game after the adjournment when much play remained, and both grandmasters pointedly avoided each other at the closing ceremony.

The danger for the championship match lies in the minutely detailed rules laid down by the World Chess Federation (FIDE) which provide many potential headaches for the organisers. The duration is open-ended, and the title goes to the first player to win six games, draws not counting. Quite apart from a prize fund of at least \$75,000, first-class travel and accommodation for the players and their two seconds, and a venue with very specific requirements for lighting, spectator behaviour, rest rooms, and so on, the organisers are responsible for providing standards for a miniature army of officials at the match, including three arbiters from neutral countries and an "impartial jury" of seven to interpret the regulations and decide on unforeseen problems.

Remembering some of the happenings at Reykjavik 1972, FIDE has made exact specifications for lighting of the stage and for banning spectators who cough, whisper, eat snacks or analyse on pocket sets. In fact, many of the regulations seem to be based on Fischer's conditions

for past appearances; almost as if FIDE was somehow hoping for Bobby to make a miraculous debut ex machina appearance in international play.

A succession of emiseraries have made the trek to California in the past months hoping for Fischer for an hour, and reported him as "not in good shape" for a match.

Karpov has met Fischer in Tokyo, in Spain, and possibly on a third unpublished occasion more recently. One idea of the impresarios trying to promote a Fischer return is that there could be a tripartite championship between Karpov, Fischer and Kornechni; but Fischer has not despite all the troubles with played a serious game since 1972. Fischer v Spassky are eager to repeat the experience.

For Spassky, the loser at Belgrade, the Kornechni match was a real disappointment; only

enough to take on the burden of this costly world title match with its suspicious protagonists, its risks of ultimate walk-outs, and its interminable length?

It is said that Karpov would like to play in Hamburg or London, but the USSR Chess Federation may object to Hamburg (Kornechni has a post as a trainer with the Port club in West Germany) while there is no sponsor in London.

Bids for much have to be delivered to FIDE no later than February 18, five weeks after the end of the final candidates match, and the most likely cities appear to be Biel or Lucerne in Switzerland, Manila, and Reykjavik, who despite all the troubles with played a serious game since 1972. Fischer v Spassky are eager to repeat the experience.

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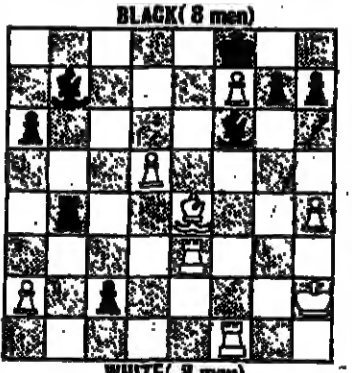
in the middle of the series when Kornechni's form suddenly collapsed did Spassky show his old skills. This week's game was his best.

White: B. Spassky (USSR). Black: V. Kornechni (Soviet Union). Vienna Game (14th match game 1978).

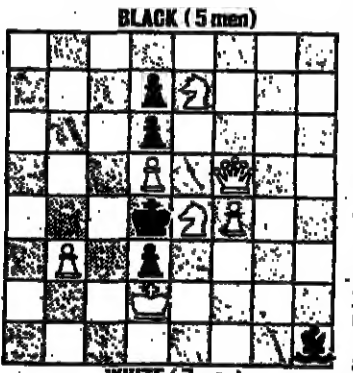
1. P-K4, P-K4 (varying from P-K3 which Kornechni played in all his earlier games as Black); 2. N-QB3, N-KB3; 3. P-KN3, P-Q4 (after B-N5); 4. P-P, N-P; 5. B-N2, N-N; 6. N-P, B-Q3; 7. N-B3, O-O; 8. O-O, P-Q4; 9. P-Q3, N-B3; 10. N-Q2, Q-Q2; 11. Q-B3, Q-B2; 12. N-K4, B-K3; 13. B-B3, B-B5; 14. P-Q4, B-K3 (U. P-B4; 15. N-B5, B-N; 16. Q-Q5 ch; 17. Q-R1, Q-R1; 18. Q-K2, B-Q4; 19. Q-N1, P-P; 18. P-P, K-R1; 19. N-B3 (to exchange bishops and increase his white square control), B-B; 20. K-B, N-R4; 21. Q-B3, N-B3; 22. Q-K3, N-R4; 23. P-Q4, P-QN3; 24. B-B, Q-Q2; 25. R-N5, N-N2; 26. B-B, N-Q3; 27. B-N, B-B; 28. N-K4, B-K3; 29. B-B, P-N3; 30. P-N4, R-KB1; 31. K-RQ4 (threatening to break through with 32. P-R5, P-P; 33. R-N7, & Kornechni sacrifices a pawn for play), P-QR3; 32. R-P, P-B4; 33. P-R7, R-K1; 34. Q-J2, Q-RP; 35. R-N7, R-K1; 36. R-B7, B-Q3; 37. R-B7, R-N1 (desperation), P-B8 ch, K-N2; 38. Q-L, Q-R4; 40. R-KB1, Q-B2; 41. P-KB4, R-KR4; 42. R-K5, Q-N6; 43. R-K4, Q-N7 ch; 44. Q-K2, Q-N1; 45. Q-K4, Q-N7 ch; 46. Q-K2, Q-N1; 47. R-K4, R-QN4; 48. R-B2, Q-N2; 49. Q-B3, Q-B1; 50. P-R3, P-QR4; 51. R-K1 (returning material for a mating attack), B-R3; 52. B-B, Q-B3; 53. P-B4, R-N5; 54. Q-K3, Q-B1; 55. P-K4, R-P; 56. Q-K3 ch, R-R3; 57. Q-B4 ch, R-N5; 58. Q-B5 ch, R-R3; 59. Q-R4 ch, Resigns (mate in two).

MEANWHILE, who will be brave

POSITION NO. 199



PROBLEM NO. 199



WHITE (8 men)

WHITE (7 men)

Hort v. Portisch, Nice 1974. Portisch, ranked in the world's top ten, thought for several minutes, then played 1... KxP which led to a draw. Can you do a better plan?

White mates in three moves at the latest, against any defence (by A. Nagler, Zurcher Tagesanzeiger 1961).

Solutions, Page 2

LEONARD BARDEN

Bridge

AS A CORRESPONDENT has asked about J. W. Tait's *Bridge Match* (Faber £3.95), I am going to take a hand from this excellent book to-day:

N. 3
W. 4
E. 5
S. 6
10 9 7
9 4 3
Q 10 8 4
J 8 2

South dealt at game to East. West and bid two no trumps, which North raised to six, and West led the spade ten.

The average declarer, after winning in hand, plays on the diamonds and hopes to make King is cashed, and one trick is five tricks in the suit. If he makes only four, he falls back

on the club finesse for his twelfth trick. Much of the time he will get home, blissfully unaware of how Fortune has tricked him.

On some occasions, however, he will make only three tricks in diamonds, when the suit breaks unkindly, and defeat will be his portion. He shrugs his shoulders and says: "Couldn't be helped—everything was wrong."

But the expert declarer looks more deeply into the position—he tries the club finesse first. If it loses, he knows that he must make all five diamonds, so he plays East for the Queen, either singly or doubly guarded. If, on the other hand, the finesse wins, he knows that four diamond tricks will be enough, so he plays to ensure four tricks against a 4-1 distribution with either defender.

The safety play is to cash the diamond Ace and then lead towards dummy's King and nine. If West follows with a low card, the nine is finessed. As the cards lie, the nine wins; the diamonds are cashed, and one trick is five tricks in the suit. If he surrenders to the Queen. If West shows out on the second

round, the King is played and the nine is returned. East can make his Queen at once or a trick later.

We turn to something quite different from a rubber. The alert defender is always on the look-out for uppercuts and trump promotions—see what happened here:

N. 10
W. 5
E. 4
S. 3
9 4 3
Q 9 4 2
8
J 8 7 4 3
A Q J 8 7 6
5
Q 7 3
9 6 2

East dealt at love all and bid one diamond, South overcalled with one spade, and after a pass from West, North raised to four spades, which became the final contract.

Taking West's diamond eight with dummy's Ace, the declarer

cached Ace and King of hearts to discard one of his losing diamonds, and then led a club to prepare for a ruff. East went up with his King, cashed one diamond honour, and led another, forcing declarer to ruff the second one high, and allowing West to throw his two remaining hearts.

A second club went to the Queen and Ace, and East led a fourth diamond, again forcing South to ruff with a trump honour. The declarer now ruffed his last club on the table, and cashed the King and ten of trumps.

At this stage West had one club and the singleton nine of spades, while the declarer had Ace and eight of spades. With the lead in dummy, South had to return a heart, and nothing could prevent West from scoring his trump for the setting trick.

This trump promotion could have been avoided if the declarer had foreseen it; by the simple expedient of ruffing a heart at trick four. This would have left West powerless to defeat the contract.

E. P. C. COTTER

Cricket

FOR THE first three days of this third Test match all the good cricket has been played by Pakistan. Beautiful slow left arm and leg spin and googly bowling kept the England batsmen in a state of prolonged torture, but the slowness of the pitch enabled them to struggle on to 266 having lost their first five wickets for only 107. It was a brave but boring fight.

When Pakistan began to bat Mudassar and Mohsin produced more strokes in the first 90 minutes than the England batsmen played in their entire innings which went on for the equivalent of 164 six-ball overs.

During the afternoon session which lasted 95 minutes they added 71 more runs and lost the important wickets of Haroon who scored 100 in each of the first two Test matches, and Mudassar. It then took Wasim Raja and Javed Miandad a while to rebuild the innings before Miandad was caught at slip off Edmunds' last ball of the day. At the close Pakistan were 230-5, still 36 runs behind and with two left a draw now looks a virtual certainty.

At times on these slow pitches, Pakistan have made England's cricket seem totally

bankrupt. To-day looked as if it was going to be another such occasion. This morning Mohsin and Mudassar began to bat brilliantly. Mohsin is the more upright and elegant player with the better sense of timing. He is and when he came out to drive the England slow bowlers through the covers, they were strokes of the highest possible pedigree.

In the last over of the morning he came down the pitch and drove Miller to long on for six. It was a wonderful stroke which told equally of his timing, his footwork and his temperament. Mudassar has matured astonishingly since making 114 in nine hours and 50 minutes in the first Test at Lahore. That innings obviously gave him the confidence he needed. His

innings to-day was much his best of the series and he was always looking to play his strokes and he has a pleasing array.

It was a slightly bizarre day's cricket for there were constant hold ups and interruptions and the England over rate fell below 11 eight-ball overs an hour. This was not entirely the bowlers or Boycott's fault although it obviously took England to slow the game up; much as they could. During the lunch interval the Chief Martial Law Administrator, General Zia ul Haq, was the teams and the interval was officially prolonged by 15 minutes which were to be made up at the end of the day, but in fact an extra 25 minutes were taken.

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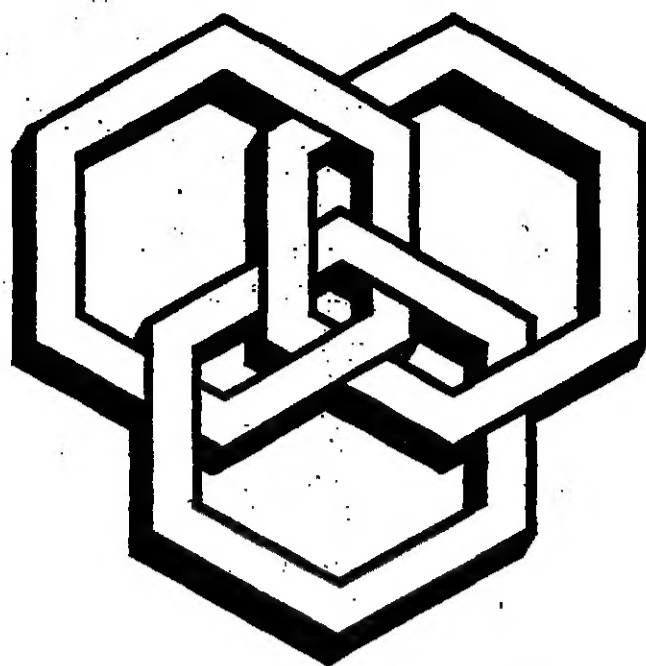
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OVERSEAS NEWS

Ecevit gives response on direct talks with Greece

BY DAVID TONGE

MR. BULENT ECEVIT, Turkey's new Prime Minister, today said it would be "very useful" to begin a direct high-level dialogue with Greece, but did not specify what form this should take. He was speaking the day after Greece announced that its Premier, Mr. Constantinos Karamanlis, would be prepared to meet Mr. Ecevit to discuss disputes between the two countries.

Speaking out some of his Government's main priorities in an interview here today, Mr. Ecevit said the Administration would start taking measures to deal with the country's grave economic position at the start of next week and that it would later seek to revise Turkey's relations with the EEC.

The Prime Minister, speaking shortly before Mr. Cyrus Vance, the U.S. Secretary of State, arrived in Ankara to-night, also made clear that he favoured a revision of the \$1.36bn. defence co-operation agreement signed in March 1976 between the then Turkish Government and the U.S. Government. He will be raising this issue with Mr. Vance.

The defence relationship between the two countries has been

strained ever since the U.S. Congress imposed an arms embargo in the wake of Turkey's 1974 invasion of Cyprus. Turkey subsequently closed down the U.S. bases spread across the country which are important for monitoring Soviet missile sites. Although a new defence co-operation agreement was signed by the two Governments in 1976, the issues have remained closed because the U.S. Congress has not yet ratified the pact.

Congress has linked ratification to progress towards solving the Cyprus dispute, but Mr. Ecevit today said the two issues should not be linked. On the Cyprus question, Mr. Ecevit said that his talks with Turkish Cypriot leaders, which ended yesterday, had left him with the impression that the proposals they are now to put forward on territorial and constitutional questions would be ready, at the latest, towards the end of February.

Asked whether he planned a meeting with the Greek Prime Minister, Mr. Ecevit said he believed it would be "very useful" to form a direct dialogue between the two neighbouring countries at a high level. That has always been my approach. I

think it is an anomaly that such a dialogue does not exist as, after all, we are neighbours and we are supposed to be allies.

As regards the EEC, he said that Turkey would have to undertake "certain structural changes" in the economy in order to "establish our relations and our cooperation with the EEC and to ensure that our future complete membership is possible."

Turning to political violence, which cost 230 lives last year, Mr. Ecevit accused the right-wing Nationalist Action Party, headed by the former Deputy Premier, Alparslan Turkes, and its supporters of being "to a large extent responsible for the terrorism in Turkey."

He said that recently Mr. Turkes had been advising his followers to act in a lawful manner but "even if he is sincere now it may be too late for him to control his party line against the party line which was trained to be terrorist."

Mr. Ecevit also blamed certain sectors of the previous, right-of-centre Government for the bloodshed, saying that they had encouraged armed militants. "We have inherited a tragic and immense problem but the Turkish state is basically sound and deep rooted," he added.

ANKARA, Jan. 20.

Carrillo article defends reputation

By Robert Graham

MADRID, Jan. 20. SR. SANTIAGO CARRILLO, leader of the Spanish Communist Party, has intervened to defend his own and the party's reputation in the controversy caused by the publication of the autobiography of expelled Communist member Sr. Jorge Semprun.

Sr. Carrillo's counter-attack has taken the form of an article in the latest edition of the party newspaper, *Mundo Obrero*. He has avoided countering specific allegations in the book, opting instead for a more diplomatic (though obviously pained) response.

Among the assertions of the book is that Sr. Semprun was expelled from the party in 1964 for espousing Eurocommunism, which was then even to control his party line against the party line which subsequently has been embraced as an article of party faith.

To put the record straight

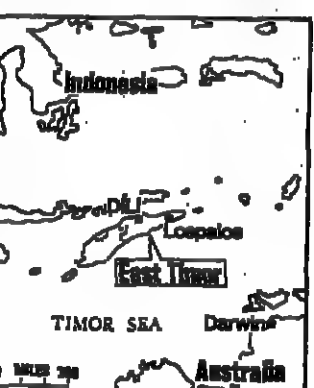
Sr. Carrillo says he is willing to open up the party archives to historians. Further he says the best response to Sr. Semprun is to hold an open debate at the party congress.

E. Timor move recognised by Australia

By Kenneth Randall

CANBERRA, Jan. 20. AUSTRALIA today announced formal recognition of Indonesia's military take-over of East Timor, the former Portuguese colony. The decision comes 26 months after the Indonesian "incursion" and is a "renewal" of the major points of friction in regional relations.

Mr. Andrew Peacock, the Australian Foreign Minister, said today: "The Government has decided that although it



TIMOR SEA

remains critical of the means by which integration was brought about, it would be unrealistic to continue to refuse to recognise the facts that East Timor is part of Indonesia."

Whatever it does for bilateral relations, however, the decision will bring a storm of domestic criticism on the Government. Supporters of self-determination for East Timor have a vocal and well-organised lobby, mainly through the Campaign for an Independent East Timor (CIET), which also has branches in Britain and New Zealand.

South Korean N-power plan

SEOUL, Jan. 20.

SOUTH KOREA today released a revised long-term power production plan increasing the number of nuclear plants planned to be in operation by the year 200 from 25 to 46.

The 46 plants, if completed as planned, will have a combined production capacity of 50,800MW, accounting for 63 per cent of the total planned energy production of 80,000 MW by 2000.

Oil-burning power plants now account for 72.3 per cent of total power production, followed by hydro-electric with 9.8 per cent, coal with 9.7 per cent, and nuclear with 8.2 per cent.

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THE MIDDLE EAST

Israel waits for Sadat to speak

BY OUR OWN CORRESPONDENT

JERUSALEM, Jan. 20.

THE ISRAELI Government will not decide until Sunday whether to continue peace negotiations with Egypt.

A Cabinet session then will assess the outcome of the discussions of Mr. Cyrus Vance, U.S. Secretary of State, and President Anwar Sadat of Egypt.

The other chief factor to be taken into consideration will be Mr. Sadat's address to the Egyptian People's Assembly.

It has not been decided whether Mr. Ezer Weizman, Minister of Defence, will go to Cairo for a second session of the so-called "military committee."

The results of the talks between Mr. Sadat and Mr. Vance will be relayed to the Israeli Government by Mr. Alfred Atherton, U.S. Assistant Secretary of State, who is scheduled to return to Israel tomorrow.

Press reports that the Egyptian President had asked Mr. Vance to stay in the Middle

East were denied by U.S. officials today—though the possibility is not ruled out. The plan is that the U.S. Secretary of State should proceed to assess the outcome of the discussions of Mr. Cyrus Vance, U.S. Secretary of State, and President Anwar Sadat of Egypt.

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OVERSEAS NEWS

ANTI-BOYCOTT LAWS

Companies face jungle of Middle-East regulations

BY DAVID BELL

Final regulations that will govern the way in which U.S. companies comply with anti-boycott legislation passed last week went into effect today as they were issued by the Commerce Department. The rules have been drawn up with great care and after extensive consultation with supporters and opponents of the legislation. But they are likely to face prolonged challenges in the courts as companies seek to get an even clearer idea of what they mean.

Architectural or engineering services provided by a U.S. company in connection with a U.S. controlled foreign subsidiary's construction project in a third country are passed through to the subsidiary's customers and as such bring the subsidiary's transaction in the third country into U.S. commerce, says the department in a controversial passage.

Information

The regulations carry forward the act unchanged in respect of information. "No information about business relationships with blacklisted persons or boycotted countries may be furnished with intent to comply with, further or support a foreign boycott. It makes no difference whether the information is publicly available. The statute makes no exception for such circumstances. So long as the necessary intent exists the furnishing of such information is a violation of the law."

Subsidiaries

The Export Administration Act, which covers the boycott law, was amended in 1977 to include the anti-boycott legislation. It says that the new law covers foreign subsidiaries of U.S. companies "controlled" by such U.S. companies. The definition of this control was left to the regulations.

These new lay down that, while it is difficult to be sure that a U.S. company that has more than 50 per cent of a subsidiary actually controls it, the rules establish a rebuttable presumption of control where the domestic concerns owns or controls more than a part of the foreign subsidiary or affiliate. Further, the final rules state: There is a rebuttable presumption of control where the domestic concern (U.S.) owns or controls more than 25 per cent of the voting securities of the foreign subsidiary or affiliate and no other person owns or controls an equal or larger percentage.

The rules note that all these presumptions of control "may be rebutted by competent evidence showing that control does not in fact exist."

U.S. commerce

This covers only actions within "United States commerce" and says that U.S. controlled subsidiaries in a boycotted country are acting "within U.S. commerce" if goods supplied to this country are used in complete or substantial part in a boycotted country.

Objectors had argued that "U.S. commerce" should end at the point at which U.S. goods reach a foreign subsidiary operating in a boycotted country. The rules reject this although they provide important exceptions (see below). The original regulations also provided that if any part of a transaction were "within U.S. commerce" that would make the whole transaction "within U.S. commerce" and thus under the purview of the regulations.

The final regulations modify this final rule to allow the provision of "ancillary services" as banking by U.S. companies. They say that a foreign subsidiary's receipt of such services does not, in and of itself, bring the subsidiary's otherwise foreign transaction into U.S. commerce.

However the final rules draw a distinction between such services as accounting, financial, legal and other services furnished to a controlled subsidiary of a U.S. company and services which are offered to a boycotted country customer.

But, the department goes on, "if he refuses to do business with someone who happens to be blacklisted, but the reason is because that person produces an inferior product the requisite intent does not exist."

Selection

The act allows U.S. companies to comply with a specific request by a boycotted country that a certain company be used even if that request is made by boycott reasons. The regulations attempt to prevent companies from providing lists of possible subcontractors. For example, which leave out companies that have been placed on the Arab boycott list.

The rules say that U.S. companies may provide so-called "pre-selection services" to boycotted customers and that these do not destroy the unilateral character of another person's selection so long as that other person or company is the one that makes the selection in fact and as long as those services are not provided in order to help that person (or company) make a boycott-based selection.

The department notes that to have such pre-selection services "would drive boycotted country buyers into the hands of foreign suppliers of pre-selection services who might

WASHINGTON, Jan. 20.

have no compunction about excluding blacklisted suppliers from lists of qualified suppliers or otherwise discriminating against blacklisted persons."

Product identity

The Act requires that there should be no attempt by U.S. companies to conceal the origin of products they import into a boycotted country. It says that "the origin of the products must be specifically identifiable at the time of their entry into the country. The test for such 'identifiability' is whether it is 'generally possible in the normal course of business for the buyer or customs agent or similar official to identify the supplier or manufacturer of a particular product or component by inspection of the product itself.'"

Compliance

The Act also allows a bona fide U.S. resident of a boycotted country to go along with that country's boycott laws. This is in respect of his activities exclusively within that country and with respect to the import of products for the use of himself or of a company.

The final rules draw a clear distinction between two kinds of imports. They say that U.S. and boycott legislation will apply to any company that simply imports goods for subsequent re-sale. But it will not apply if a company imports goods which are then incorporated as a functional part of another product or project.

The proposed rules did not draw such a clear distinction and this is intended to prevent companies from getting round the Act by acting as procurement agents for another company. This exception does not, however, apply to services.

Residence

Clearly the definition of a bona fide U.S. resident of a foreign boycotted country (whether an individual or a company) is of key importance. The final regulations lay down nine criteria for determining who is, and is not, a bona fide U.S. resident. They also provide strict definitions of whether the import of goods is for the "own use" of such a resident.

The department warns that "use of this exception will be monitored and continually reviewed to determine whether its continued availability is consistent with the national interest. Its availability may be limited or withdrawn as appropriate."

Finally the regulations attempt to deal with the myriad ways in which companies may seek to evade the act. This final passage of the department's accompanying statement deserves to be quoted at length.

"Use of dummy corporations or other devices to mask prohibited activity will also be regarded as evasion. Similarly it is evasion to divert specific boycotted country orders from U.S. parent companies to their foreign subsidiaries for the purpose of complying with the prohibited requirements... in all potential cases of evasion the facts and circumstances of an arrangement or transaction will be carefully scrutinized to see whether appearances conform to reality."

Final rules, to implement Title II of the Export Administration Amendments of 1977 (Public Law 95-623), Commerce Department, Washington, DC 20230.

Mixed reception for Carter address

By Jurek Martin, U.S. Editor

WASHINGTON, Jan. 20.

PRESIDENT CARTER's first State of the Union speech last night was generally received by both houses of Congress with frequent applause as he delivered it, but political reaction to its contents was mixed and by no means along predictable party lines.

Although it concentrated on economic affairs, the speech touched many subjects, domestic and foreign, and those which were lightly touched on in the speech itself were fleshed out in an accompanying 30-page message to Congress.

Its purpose was to lay out in a sober manner the problems that needed to be tackled and some of the proposals the Administration has in mind. It was not, however, intended to overload the Congressional system, which reflects much Congressional criticism that Mr. Carter has tried to do too much in his first year of office.

Rather, it sought to leave the impression that Mr. Carter was maturing as a manager of the nation.

Several Republicans approved of the essentially conservative economics it espoused, in its proposed tax cuts, tight budget and pledge to reduce bureaucracy. Senator Sam Nunn, Georgia Democrat, even commented that he had made the same speech in 1964 (when he was running for President) and "got the hell beat out of me."

Sen. Howard Baker, the Republican minority leader, applauded some of Mr. Carter's comments but added that the speech "provided no new directions or insights into what the Administration will do to deal with the problems."

Such remarks by Democrats and Republicans also complained that Mr. Carter offered nothing detailed or new in his exposition, a criticism that may be a little unfair in the light of the popular view that he has been offering too much.

Sen. Robert Byrd, the Democratic leader, also demurred from the President's contention that "we have failed the American people" by not producing an energy bill. Sen. Welcker, the liberal Republican, said that the President was "right on the mark" on energy.

The tax cut proposals were generally welcomed in principle by all except liberal Democrats. Congressman Henry Reuss, who wants more spending as opposed to tax reductions, muttered that the whole speech was far too Republican. But it is clear that there is some division in Congress over both the size and the nature of the President's plan.

Mr. Carter may well have been encouraged by the volume of applause he received when he urged senatorial ratification of the Panama Canal treaties.

Blizzard brings New York to halt

A HUGE overnight storm which deposited up to 15 inches of snow along parts of the north-east coast of the United States brought New York virtually to a halt yesterday, forcing the closure of many offices and delaying the opening of the New York and American stock exchanges.

Thomas O'Neill

arguing that they alone have the expertise to run the proceedings. Major commercial networks, ten national news organisations and two major broadcast unions have formed the Coalition for Professional Broadcast Coverage of the House Floor to argue their view that legislators should be making the news, not covering it.

The leadership's reluctance to become TV stars has apparently prevailed over the majority opinion. A 1976 poll of House members showed a majority in favour of network coverage. Republican Congressman John Anderson has claimed that if the House was allowed a clear vote, a majority would agree that the professionals should do the broadcasting.

The broadcasts could produce a hit with House members. They may ultimately look with favour on the cameras as a source of free publicity, knowing that their next expensive campaign is no less than two years away. Lawmakers have reported a generally favourable response to the experience of televising state legislatures.

Some Congressmen fear the broadcasts will encourage playing to the unseen audience and could produce new stars among the more talented members. On the other hand, it could arouse more public interest for national issues and a better understanding of the complexities faced by Congress.

Of course the series could be cancelled in three months because of poor ratings.

HOME NEWS

Varley stresses need for jobs subsidy

BY RHYTH DAVID

BRITAIN'S determination to continue employment aid to hard-hit industries when the temporary employment subsidy ends in two months was stressed yesterday by Mr. Eric Varley, Industry Secretary.

Mr. Varley, speaking in Bury, Lancashire, said the Government believed there should be a successor scheme. It would be pursuing vigorously the case for continued aid with the EEC Commission.

His remarks, at the opening of a new textile mill, follow the statement by Mr. James Callaghan, the Prime Minister, in the Commons earlier this week that the Government would resist any attempt by the EEC to block further measures after the end of March.

The need for continuing support for employment, particularly in textiles and clothing, is being stressed in the North Midlands area where one of its older mills in the isolated town of Bury, Lancashire, was structurally unsound.

The company examined alternatives, including closure of the mill and the transfer of production to other plants in Bury and South Wales.

Because of the impact on employment in the town, which already has a high rate of unemployment, the company decided to go for the somewhat more costly option of rebuilding the mill completely at a cost of £200,000 to save 60-70 jobs.

Mr. Varley praised the co-operation between management and employees which had made the rebuilding possible without any break in production. Felt manufactured by Bury and Masco is used as display material in shops and exhibitions, and in a number of other ways. It is also used for sound-deadening and soundproofing of factory machinery.

Mr. Varley was in the North West to demonstrate his approval of the way in which one small company has tackled the problems of industrial regeneration. Bury and Masco, Britain's biggest woollen felt manufacturing business, found 13 months ago that one of its older mills in the isolated town of Bury, Lancashire, was structurally unsound.

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Price of some beers to be increased by 2½p a pint

BY KENNETH GOODING

THE McEwan William Younger and Newcastle Brown group (Scottish and Newcastle Breweries), is to increase some beer prices by 2½p a pint on January 30.

And the Sunderland-based group, Vaux, has told the Price Commission it intends to raise prices on February 12, provided the Commission does not order an investigation.

Vaux intends to restrict the increases to 1p a pint in its English outlets, but in Scotland, where the group operates under the Lorienter's banner, the price will rise by 2p.

Vaux has pointed out to the Commission that recent wage settlements, although within the Government's guidelines, have

added nearly 1p to the cost of producing a pint of beer. Scottish and Newcastle has assured the Commission that it will not make any further price increases before October, 1978.

Beer prices will go up between 1p and 2½p a pint in Scottish and Newcastle managed houses, a 6½ per cent addition to wholesale prices and a 6.35 per cent lift in the retail level.

There will be a 3p "nlp" increase in spirit prices in the company's houses, as well as a 5 per cent average addition to the cost of food and accommodation.

Beer drinkers can expect most of the major brewers to raise prices within the next few weeks. Allied Breweries will lead the way next Wednesday with a 2p-a-pint addition to its products.

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Sunday postal services may be restored

BY JOHN LLOYD

SUNDAY postal services may be reintroduced in the near future, Sir William Barlow, the Post Office chairman, said yesterday. Sir William's announcement is the first step in a decision he has taken privately since becoming chairman in November.

Speaking in Leeds, he confirmed that postal profits would be about £12m in the current year, about half of last year's figure.

The Post Office's main aim was to increase services to its customers. The possibility of restoring Sunday services was one option under consideration. Another was the possibility of making modest "concessions" on Christmas mail.

The expected halving of postal profits was "not very significant," Sir William said. The fall on inflation and said that the profit margin was very thin.

On price rises he declined to extend the commitment that there would be no price rises beyond April. The Union of Post Office Workers, with 200,000 members, had a wage claim on the table but the Post Office would do all it could to avoid a price increase.

"If there are to be any increases, they will be kept to an absolute minimum."

However, it seems likely that even if the Post Office union does battle for the 10 per cent, normal, resulting increase in costs, coupled with inflation, will force a price rise on letters and parcels.

U.K. launch for Saab turbo car

By Terry Dodsworth

SAAB, THE Swedish car manufacturer, will launch its new £7,850 turbo-charged model in the U.K. in March.

The vehicle, which uses the Saab three-door coupe body, is attracting a great deal of interest in the industry because of its performance.

Saab claims virtually the same fuel consumption but sharply improved acceleration and speed from use of the turbo-charged engine. This is based on the company's two litre engine with an additional turbo-charger driven by the exhaust gases. The car has a maximum speed of 120 m.p.h. and accelerates from rest to 60 m.p.h. in less than nine seconds.

In the past, the main problem with using turbo-charging in cars—the principle is used extensively for commercial vehicles—has been the lengthy cut-in period after activating the system.

The Saab Turbo will be marketed only in black.

Yorkshire Bank deal

YORKSHIRE BANK is continuing its expansion programme by taking a leasehold interest in a large part of the former British Home Stores property at Elgin Street, Newcastle upon Tyne, for use as a new branch. A long-term full repairing and insuring lease has been agreed at a rent approaching £20,000 a year with five-yearly reviews.

The order will not affect this week's announcement of redundancies in the company. Sir Charles Hardie, the company's receiver, said a quarter of the 280 employees would lose their jobs.

The redundancies were necessary if he was to sell the company as a "going concern," he said.

Britten-Norman is an aviation group subsidiary of the Fairley Company. Losses at the Belgium Fairley SA works forced the company to call in the receiver last October.

Since then, 32 aircraft have been sold, all to individual customers.

Mr. Justice Brightman has been asked by Shell and BP to rule that the action against them should be stayed and the dispute dealt with by arbitration in private rather than by public litigation.

Shell, BP and 27 other oil companies are being sued by Lornrho and its Mozambique/Rhodesia pipeline subsidiary for alleged conspiracy and breach of contract. Lornrho claims about £100m. damages.

The problem with the old name is that few people outside Wales have any idea where the airport is," said Mr. Edward Maloney, airport director.

Decision later in sanctions case

JUDGMENT was reserved yesterday on the move by Shell and BP to block a High Court action in which it is alleged that they have been guilty of sanctions busting by supplying oil to Rhodesia.

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Televising Congress: the networks go for realism

BY NANCY DUNNE IN WASHINGTON

U.S. BROADCASTERS are getting jittery because their rating services have reported that Americans are watching less television this year than last. The average viewer is now said to be consuming only three hours and 45 minutes a day.

Always searching for the magic formula to attract viewers—preferably every waking hour of the day—the commercial network have been manoeuvring and manipulating schedules and creating and cancelling shows, all to no avail. In recent "seasons" banal situation comedies have given way to "adult" comedies; silly, stereotyped family shows have been replaced by silly, stereotyped black family shows; series have been supplanted by mini-series; movies have made way for "television" (second-rate) "novels."

The public is nevertheless apparently beginning to discover it has other things to do. So what will the broadcasters try next? In desperation, they could go in for real-life "realism." Filming is now being permitted in 44 State legislatures and, on an experimental basis, in some courts. Last September, Florida viewers were fascinated by the homicide trial of a 15-year-old boy. His (tossing) defence coincidentally, was that he had been spurred to violence by watching television crime shows.

A leading attraction of the realism line-up could be telecasts from Capitol Hill, where the House of Representatives has for

some years been inching toward permitting television cameras on the hallowed precincts of the House floor. The Senate is still hesitant about permitting daily coverage, but may flip its Panama Canal debate this year.

Broadcasting of floor proceedings has long been resisted by Congressmen, who fear that close-up shots of dozing members or of hecklers or of a near-empty chamber would not be well received by their constituents.

But the popularity of the televised 1973 Senate Watergate committee hearings, which gave star status to Senator Sam Ervin and brought the minority leader, Senator Howard Baker, to national attention, did not go unnoticed.

The subsequent, and more dignified House impeachment hearings were even better received. By 1975 the Rogers Organisation found that some 80 per cent of the public wanted at least some TV coverage of Congressional debates.

Propelled by public opinion, broadcasters and several Congressmen, the House last year finally agreed to allow full coverage of proceedings starting early this year. However the controversial question of who will operate the cameras was left to Mr. Thomas P. O'Neill, Jr., the House Speaker.

The Speaker is less

'Anti-Grunwick' Bill is past Second Reading

By JOHN HUNT, PARLIAMENTARY CORRESPONDENT

A CONTROVERSIAL Private Member's Bill which makes it more difficult for employers to refuse to co-operate with the Advisory Conciliation and Arbitration Service was given a second reading in the Commons yesterday by a majority of 14 (256-242).

The main purpose of the measure is to prevent a court overturning a ruling of ACAS in union recognition disputes, as happened in the case of the Grunwick dispute.

In that instance ACAS ruled that the Association of Professional Executive Clerical and Computer Staff should be recognised at Grunwick. But the House of Lords later overruled this on the grounds that ACAS had not taken all possible steps to ascertain the views of Grunwick workers.

Tory anger

The Bill would prevent such a situation arising in future by stipulating that ACAS would have to ascertain the views of workers only to an extent which was "reasonably practicable".

The legislation, the Employment Protection Bill, received the full backing of the Government in the Commons but ran into furious opposition from the Conservatives.

The main anger of the Tories was directed against a clause in the Bill which states that ACAS need only consult a certified trade union to obtain the views of the workers.

It would not have to consult staff associations or bodies which Mr. Ted Fletcher (Lab., Darlington), chairman of the Left-wing Tribune Group, and sponsor of the Bill, described as "sweetheart unions".

The Liberals did not support the Government in yesterday's vote. They abstained after Mr. David Steel, the Liberal leader,

said that they found the clause on certified unions "controversial and objectionable".

In spite of the comfortable majority, the chances of the Bill becoming law remain doubtful. It can be held up by lengthy debate in committee stage in the Commons, and will run into stiff opposition in the Lords.

Tory peers are unlikely to vote against it on Second Reading, but will give it a rough passage in the Lords committee stage and probably throw out the clause on certified unions.

Mr. Albert Booth, the Employment Secretary, wants the Bill on the Statute Book by the end of July. By that time Parliament will be rising for the summer recess, and if the Bill has not received a Third Reading it will fall altogether.

Mr. Booth told the House that the Government thought the Bill was necessary to prevent Grunwick-type positions arising in the future. It would prevent a few bad employers exploiting loopholes by means of legal decisions.

Mr. George Ward, managing director of Grunwick, sat in the public gallery and heard Mr. Fletcher claim that the National Association for Freedom was searching for imperfections in the Employment Protection Act in order to protect employers.

Mr. James Prior, Tory shadow Employment Secretary, described it as a "miserable little Bill".

Another Conservative spokesman, Mr. Barney Hayhoe, said: "It will reduce the rights of individual workers and increase the power and privilege of some trade unionists."

Mr. John Gorg (Con., Hendon North), who has advised Mr. Ward during the dispute, described it as a partisan Bill which sought to strip employers of the little authority left to them. It furthered trade union power at the expense of non-union workers.

Bank may alter system for fixing MLR

By MICHAEL BLANDEN

CHANGES in the system of fixing the Bank of England's minimum lending rate, the main key to the general level of short-term interest rates, are being considered in the Bank and the Treasury.

No specific proposals have been made on what system could replace the present arrangement which links the level of MLR to the market through the rates established at the weekly tender for Treasury bills on Fridays.

The authorities are examining whether an alternative system could be introduced in the light of the problems and disadvantages which have emerged under the present arrangement.

The MLR market-related method was introduced in 1972, largely to reduce the strong political overtones associated with the old system of administered Bank Rate.

It is recognised, that interest rates must be subject to political decision, and the present system has required regular intervention and guidance by the Bank to affect the level of short-term rates.

This system, which relies mainly on the Bank's ability to influence the discount houses, has at times caused problems in the market.

Lloyds cuts personal fixed-rate loans cost

By MICHAEL BLANDEN

LLOYDS BANK is cutting the cost of its personal fixed-rate loans, in line with general reductions in interest rates during the past few months.

From Monday the interest rate on new personal loans over a two-year period will come down to a true rate of 14.7 per cent. from the previous 16.7 per cent. This

is equivalent to a reduction in the flat interest rate on the initial amount of the loan from 8½ per cent to 7½ per cent.

The bank said the true rate will depend on the repayment period, which can vary between six months and three years.

The move follows similar changes made by a number of the other big banks.

Fraud gang 'got \$190,000 from Kuwaiti bank'

THE MOVEMENTS of men operating a multi-million pound forged bank draft fraud—which the world's banking system could be pieced together like a jigsaw puzzle an Old Bailey jury was told yesterday.

Mr. Kenneth Richardson, prosecuting, referred to contracts from dossiers built up by detectives and to an album of 300 photographs—a selection from 6,000 taken secretly.

In the dock are Andre Biro, 32, Francesco Plocca, 48, Henry Oberlander, 51, Emilio Fieschi, 57, and Jorge Grunfeld, 55, all of London, and William David Ambrose, of Esher, Surrey.

They plead not guilty to six charges of conspiracy, relating to plots to defraud banks, companies and businesses by the use of forged bank drafts and identity documents; to forge the drafts and to utter them with intent to defraud.

In all, 40 banks were defrauded but Mr. Richardson said: "If we can prove what was going on with the drafts in relation to seven or eight banks then it is an inescapable inference that something similar was going on in relation to the remainder."

He told the jury of two specific frauds. The first was

to defraud Lebanese refugees hoping to exchange local currency into dollars, and the second was to persuade a businessman in Spain over a land deal with forged bank drafts by pretending it was for an oil-rich Arab sheikh.

The second fraud was foiled when the landowner offered to exchange the \$2m. forged draft for cash.

Among the 40 banks said to have been defrauded were the Midland, the Union Bank of Switzerland, the Turgino Bank, the United Bank of Kuwait, the Bank of Montreal and the Chase Manhattan Bank.

Referring to the Bank of Kuwait, Mr. Richardson said: "The gang, whoever they were, got \$190,000 out of this bank. And forged drafts in process of completion found at the Court, the forgers' den in Westbourne Gardens, Bayswater, London, and at Ladbroke Mews also related to this bank."

Mr. Richardson also told the jury of other links. He said that a scientific officer had found that one of the forged drafts found at the forgers' den had been printed with the same ink and dyes as that on forged drafts actually passed for cash.

The case continues on Monday.

Tate to show Turner watercolours

By ANTHONY THORNCROFT

THE TATE Gallery, perhaps reacting to renewed public interest in Turner, has decided to hang 40 of the artist's watercolours in a room next to its extensive display of Turner oil paintings.

These include two watercolours, "Bonnieville" painted in 1808, and "Farney from above Orley," which have not been seen

by the public for some time. It is planned to change the watercolours every six months, re-stocking with watercolours from the vaults. The first displayed will be a quarter of the total, 558m. It was the most costly BBC station.

Skateboard safety standards to be discussed

By David Fishlock, Science Editor

THE DRAFTING of British Standards for skateboards and associated safety equipment such as helmets and pads is to be discussed at a British Standards Institution meeting in London on Monday.

Those expected to attend include some of the main skateboard manufacturers, major retail sports goods suppliers, and the British Skateboarding Federation, a group of organisations interested in the sport.

In discussing for such a meeting, the Prices Department has been supported strongly by those who point to the high stresses to which the components of skateboards are subjected, and to the fact that the sport does not "arrive" until materials development had caught up with some of those

Hidden dangers

This was the case especially with the wheels, but other components and the overall design of the skateboard have not always come up to the same standard.

This was disclosed last month, when the Royal Society for the Prevention of Accidents released a report called "The Hidden Dangers," prepared by scientists with the Fulmer Research Institute.

The Fulmer study, investigating the failure of critical skateboard components, said that, ideally, approved materials and their processing and inspection should be controlled in the same way as safety-critical aircraft and car parts.

An interim precaution, until such standards could be laid down, it proposed a rough-and-ready test to be performed before purchase and each time before a skateboard was used, in which a man jumped several times on the deck of a firmly anchored skateboard.

Not all standards exist yet for skateboard safety equipment. The Prices Department envisages use of a helmet designed to standards similar to those laid down for racing cyclists. New standards would be needed for knee and elbow protectors.

The Prices Department, although not responsible for laying down standards, has a responsibility for consumer protection "in and around the home," it said yesterday.

Skateboarding, it admitted, was slightly more dangerous than its usual activities. But for about a year it had taken an interest in seeing that the equipment was fit for the purpose for which it was being sold.

The Fulmer Research Institute plans to make a testing programme available to the skateboard manufacturing industry, in which for a few hundred pounds a manufacturer could commission a confidential report on the performance of his products.

It also plans to pool its experience of this kind of equipment in public reports which, while not specifying the manufacturer, would assess different types of skateboard and safety equipment—rather like Which? reports.

It would make measurements on the ability of equipment to withstand impact, abrasion, emergency braking—"even fire if it's wanted."

The scientists emphasise that in spite of safety, the number of accidents caused by the failure of materials or designs is trivial compared with those caused by inexperience.

BBC plans to brighten Radio Four

By Christopher Dunn

MORE RADICAL changes in BBC Radio Four programmes were announced yesterday by Mr. Ian McIntyre, the controller.

The emphasis in the reshuffle, which begins next month, is on new Saturday programmes. From Our Correspondent and Between the Lines, broadcast on Saturday mornings, will be dropped.

Alistair Cooke's Letter from America will return to its old time on Sunday morning, as part of a general plan to live up to broadcasting at this part of the week-end. A half-hour entertainment slot is planned for Sunday morning.

New Saturday programmes include a weekly magazine review presented by Anthony Howard, retiring Editor of the New Statesman and a "correspondence column." There will be a Sunday morning phone-in. Operating expenditure last year at Radio Four was £14m., just under a quarter of the total, £58m. It was the most costly BBC station.

We are not asking for grants, merely loan consents. The Government should trust local authorities to use their resources wisely, without excessively close scrutiny," he said.

"I am sorry to be attacking the organisations which are giving me a platform but we feel that the Government has been

inconsistent in its attitude to local authorities promoting their own development."

Earlier, Mr. Ernest Armstrong, Under-Secretary at the Department of the Environment, said that the growth of employment in the country desperately needed a great deal of the contribution by medium and small companies.

"In this region especially, we have been too dependent on traditional large-scale heavy industry, and in spite of our remarkable record of diversification, small firms are still under-represented."

It is all the more important that we should exploit to the utmost the potential of our inner city areas for the development and expansion of small businesses."

Dublin faces storm over sacking of police chief

By GILES MERRITT IN DUBLIN

A POLITICAL storm is gathering in Dublin over the Irish Government's sudden dismissal of Mr. Edmund Garvey, the Police Commissioner.

The leaders of both Opposition parties called yesterday for an immediate explanation, although Mr. Garvey's dismissal was the legal action it appears that both the Government and the Opposition might refrain from comment that might prejudice a court hearing.

The absence of further state may for the present take the heat out of the affair, but political observers in Dublin thought last night that Fine Gael and the Labour Party might seek to make maximum capital out of the Lynch Government's abrupt and so far unexplained sacking of the Republic's police chief.

Dr. Garret Fitzgerald, the Fine Gael leader, wrote to Mr. Jack Lynch, the Prime Minister, demanding an "immediate statement" giving the reasons for Mr. Garvey's dismissal. This is backed by the leadership of the Labour Party.

Mr. Garvey's brief account of being summoned to see Mr. Gerry Collins, the Justice Minister, on Thursday afternoon and given two hours to resign, and then being summarily dismissed when he refused, has so far been followed only by a terse official announcement that the Deputy Commissioner of the Garda Síochána, the Irish police, would take command for the present.

Only a week ago the 63-year-old Yorkshire-born Commissioner, appointed in September 1975 by the Cosgrave Government, said publicly: "I hope to reach retirement age—if I am let."

Before Mr. Garvey's decision about legal action speculation was rife that his dismissal would revolve round two unresolved matters of police conduct.

The first is allegations that a so-called "heavy squad" operated as an interrogation unit in cases of suspected IRA terrorism. The second concerns fingerprinting irregularities that may have followed finding of a fingerprint in the search for the murderers of the British Ambassador, Mr. Christopher Ewart-Biggs, in July 1976.

Investment rise likely to be small

By Peter Riddell, Economics Correspondent

A CAUTIOUS VIEW of the prospects for investment this year was given yesterday by the senior economist of the National Economic Development Office.

Mr. David Stout said he expected a rise in the volume of manufacturing investment of 9 per cent. in 1978 against last year, and not much more than this in 1979.

This compares with an increase of between 10 and 13 per cent. in 1978 forecast by the recent Department of Industry Investment Intention survey.

Mr. Stout was speaking at a conference for European investors organised by stockbrokers E. B. Savory Mills and Co.

Among the other speakers was Mr. Geoffrey Hayward of Chase Manhattan Bank, who was formerly deputy chief economic adviser at the Treasury. He expected the rise in earnings during the current pay round to be mainly between 10 and 13 per cent, with a pick-up in inflation towards the end of this year.

He also thought there was likely to be a net fiscal stimulus of about £5bn. in the Budget while the Government would adopt a rolling money supply target on U.S. lines in the next financial year with an upper limit of around 13 per cent.

Mr. Hayward said he did not expect much deterioration in the current account in the next year or so because of the rising contribution from North Sea oil.

The exchange rate was projected to remain fairly steady, with a year before weakening slightly in 1979. The trade-weighted index should stay around the current level of 96 before slipping back to 94 in the second half of the year.

Varley asked to maintain Scottish steel output

By RAY PERMAN, SCOTTISH CORRESPONDENT

THE SCOTTISH Council for Development and Industry has asked the Government to ensure that the economies being planned by the British Steel Corporation will not mean a reduction in the proportion of total output from plants in Scotland.

A memorandum to Mr. Eric Varley, the Secretary for Industry, from Lord Clydesdale, the council's president, says that a contraction of the steel industry in Scotland could have far-reaching effects.

Investment and employment on the railways, for example, could be cut since 40 per cent of rail freight in Scotland came from British Steel business.

The corporation's development programme would give Scotland enough modern plant to be able to maintain the traditional proportion of total output at 15 per cent, without sacrificing efficiency.

It was also important that Scotland should maintain its share of new investment and should be able to continue moving towards the production of higher quality and special steels.

The commissioning of developments under way at Hunterston and the completion of modernisation at Ravenscraig would enable steel products and special quality plates to be manufactured economically and the electric arc plant at Hallside could produce special quality steel.

Capacity could be increased in special products without massive extra spending, if the direct reduction and electric arc plants at Hunterston remained in the corporation's investment programme.

Council borrowing rules 'should be eased'

THE GOVERNMENT should ease financial restrictions on local authorities planning economic development programmes, it was said at a Newcastle-upon-Tyne conference on the future of small companies yesterday.

Gill. Iain McLean, chairman of Tyne and Wear's economic development committee, said that at present, councils were not allowed to borrow sufficient money to finance their own programmes.

"We are not asking for grants, merely loan consents. The Government should trust local authorities to use their resources wisely, without excessively close scrutiny," he said.

"I am sorry to be attacking the organisations which are giving me a platform but we feel that the Government has been

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At the top of the table, we see Unit Trust of the Year in M&G Recovery. DAILY EXPRESS 31.12.77. The top performing unit trust of 1977 was M&G Recovery, which was awarded by 115.9 p.p. SUNDAY TELEGRAPH 1.1.78

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THE M&G GROUP

Saturday January 21 1978

FINANCIAL TIMES SURVEY

Saturday January 21 1978

Taking Your Car on Holiday Abroad

Motoring holidays form a very large part of the general growth in leisure traffic between this country and the Continent and elsewhere. This Survey aims to provide a comprehensive guide to services during the months ahead.

Drive where you will

BY IAN HARGREAVES
Shipping Correspondent

GIVEN THAT the great appeal of taking your car abroad is that it cuts pre-planning to a minimum, it has to be said from the start that there is no substitute for some intensive studying of brochures when it comes to choosing your car ferry. With 40 routes available within the British Isles or between Britain and Europe and around 15 different shipping lines—the number depends on whether you include mainly freight operators—the choice is far from easy. Moreover, with this degree of competition there is some extremely sophisticated marketing at work, which makes it very difficult to offer simple generalisations about which lines are cheapest—although most of them are, of course, prepared to make this claim for themselves.

The opening question must be: where do you want to go? The next are your most convenient port of departure, how many people will accompany

your car and the length of your vehicle. Armed with this information, a good travel agent should be able to come up with the best price available, but even then it does no harm to bear in mind that agents' commission varies between 7.5 and 10 per cent, according to service and period.

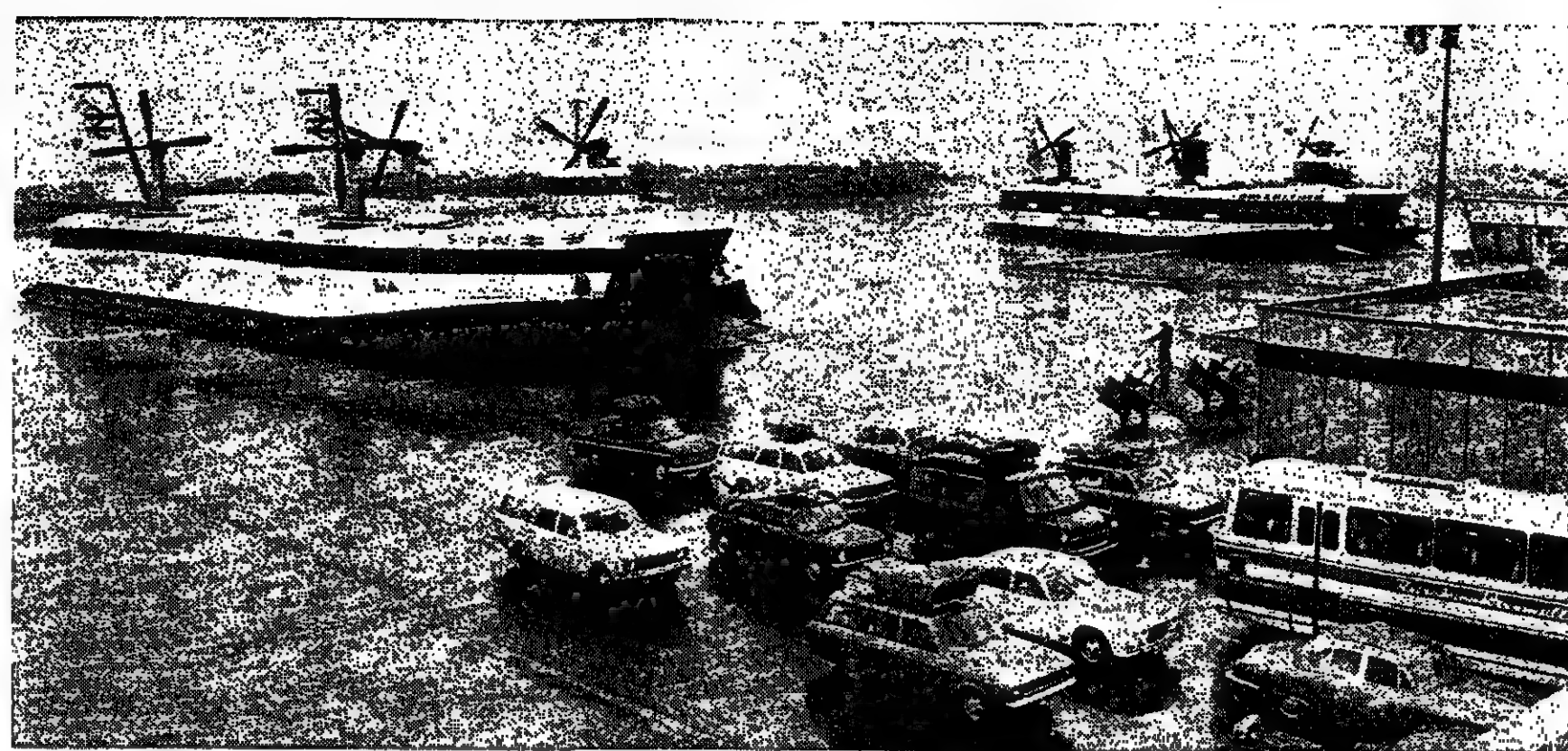
The reason for all the competition is of course the fact that short-sea car ferries are very good business indeed. European Ferries, whose Townsend Thoresen subsidiary operates on eight passenger routes, had pre-tax profits of £7.8m. on its shipping activities in 1976, and while a substantial part of this came from freight carryings the car ferry business continues to look very healthy.

Bookings

Townsend's biggest competitor, the railway owned conglomerate Sealink, lost money for British Rail in the same year, but will probably show its first profits for some time in 1977 having also gained from the rising tide of business. Between them, these two operators account for about two-thirds of the business across the Channel.

On all its routes last year Sealink carried over 17m. passengers and over 3m. cars—a 10 per cent increase in volume—and it is predicting a similar increase this year. It says its package holiday bookings, which always start to come in earlier than the simple ferry bookings, are double a year ago.

Port statistics back up this picture of almost uninterrupted growth since the late 1960s (only 1974 was a bad year). The number of passengers through Dover has almost doubled in ten years and considering the rapid decline in ocean-going passenger shipping in the last



Seaspeed and Hoverlloyd craft at Calais.

decade, it is noteworthy that between 1967 and 1976 total passenger movements through U.K. ports increased from 9m. to 18.5m.

In the past couple of years most of this growth has come from mainland Europe and for the first time Sealink last year carried more foreign than U.K. passengers on all of its routes except Weymouth-Cherbourg. The fact that a large number of these Continental travellers come for winter shopping visits has also, along with the growth in roll-on roll-off lorry traffic, and the Townsend Thoresen

fleet, having expanded more rapidly and recently, has no ship older than 16 years. Townsend is incidentally likely to be ordering more new multi-purpose ships in the not too distant future.

The development of greatest interest to car ferry users this summer is the virtual fare freeze on many routes which West, or Ostend and £30 on has followed the outbreak of P & O Normandy from Dover price warfare on the Channel to Boulogne.

There can, however, be significant differences in prices in these companies' packages

usually only a whisker's difference on prices of operators on identical or very similar routes. Townsend claims it can do an all-in caravan hire/ car ferry package for £77 a fortnight less than Sealink in the high season.

The main advantages possessed by the smaller operators are their sailings to or from particular ports. North Sea Ferries, for instance, sails to Holland and Belgium from Hull, and Brittany Ferries to Brittany. There can, however, be significant differences in prices in these companies' packages

for example, tours of caravan hire—and there are differing approaches to the short-stay journey. Townsend claims it can do an all-in caravan hire/ car ferry package for £77 a fortnight less than Sealink in the high season.

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Brittany ports, using 1 departure points of Plymouth, Cork (Ireland) and Portsmouth. This line has also stepped in the breach left by Aznar Ferry and Swedish Lloyd by offering the only direct sailings northern Spain. Its cross from Plymouth to Santander takes 24 hours.

Routes

Other more northerly routes are served by Tor Line Gothenberg out of Felixstowe and Newcastle (this last served in conjunction with DFDS Seaways, which also sails from Newcastle to Denmark); Frø Olsen-Bergen, which serves Norway out of Newcastle at Harwich, Prins Ferries which sails to Northern Germany from Harwich, and Olau Lin with its single route from Sheerness to Flushing. Imminham, after a brief period as European car ferry port, has been deserted by Tor Line.

Irish services received some special marketing attention from Sealink last year, with a range of price freezes, cheap packages and even straight cuts in some cases. The dividends proved to be handsome, with car passage business up 33 per cent on the previous year and a 25 per cent rise in traditional rail-sea traffic. This contribution to Irish tourism won Sealink the United Dominion Trust award. As a follow-up Sealink, which claims 60 per cent of the Irish Sea market, has introduced a new summer route from Rosslare to Dun Laoghaire, but fares on Irish services have gone up this year by about 15 per cent.

Hoverlloyd, the other hovercraft company, which operates from Ramsgate to Calais, tends to be cheaper than Seaspeed, but has the disadvantage that it

Continued on Page III

Accidents happen when you least expect them, even while you are on holiday. It's no good saying it won't happen to me, because it just might.

And although there are reciprocal health arrangements with other EEC countries, protection varies considerably and doesn't cover every aspect by any means. Unlike AA 5 Star Service with its Personal Security which provides comprehensive medical expense cover, as well as protection against loss of money and property. Should anything happen

that puts you under medical care you can claim up to £2,500 for medical expenses depending on the number of people in the car.

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AA 5 Star Service even covers unlikely events like hijacks and squatters moving into your home while you're away. And, naturally enough, provides protection in the event of the loss

of your car through breakdown, fire, accident or theft.

You don't have to be a member of the AA to take out 5 Star Service, although if you are, you can benefit from additional services.



AA 5 Star Service is available from any AA office and from most ABTA travel agents.

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TAKING YOUR CAR ON HOLIDAY II

Enjoying the wide open spaces of the north

BY PAUL MARTIN

THE SCANDINAVIAN coun-
try are rightly considered high-
land areas and just as we, who
are the wide open spaces of
northern Europe, have wel-
comed the recent strengthening
of sterling, so have their tourist
authorities for whom the U.K.
is a traditional market.

Two other developments are
likely to benefit the independent
traveller. There is a new spirit
of common initiative abroad
and in addition to the combined
operation by DFDS Danish Sea-
ways and the Swedish Tor Line
introducing a new joint ser-
vice from Newcastle there are
some new and inexpensive pack-
ages to Denmark, Sweden and
Norway based on inclusive
camping, caravan or chalet
arrangements.

Norway and Sweden sell the
delights of life in the open air
and a sense of space, while
the Danes have considerably
expanded arrangements for the
individual motorist and are
again featuring the long-
established and very successful
armhouse holidays.

While no one yet seems to
have found the ideal name for
the new generation of jumbo
car-ferry first introduced seven
years ago, ferryliner sums up
in one word what they are all
about. The Fred Olsen/Bergen
Line ships that ply the tradi-
tional routes to Norway cruise
to the Canaries in winter.
Danish Seaways are introducing
a new 14,000-ton flagship on the
Harwich-Esbjerg route later this
year to supplement what is still
the only daily service from a
U.K. port to Scandinavia, and
Tor Britannia and Tor Scan-
dinavia are very much in the
luxury class.

Sterling

The strengthening of sterling
has produced some pretty
sweeping reductions and as well
as introducing a very much
expanded range of inclusive
holidays, particularly in the
self-catering market, some Tor
Line packages are around 30
per cent lower. With the sea
journey from Felixstowe to

Gothenburg providing an attrac-
tive beginning and end to a
Swedish holiday, economy
cabins have now replaced
couchettes.

Tor Line has also introduced
a series of camping vouchers
enabling you to pay site fees
before leaving the U.K. These
can be used at nearly 300 sites
in Sweden and you can get a
comprehensive list of them
when you book. A package,
including return passenger and
car fares, is available from £63
per person for a 16-night holi-
day and there is a 30 per cent
discount for children. A higher
rate of £96 per person for the
conventional party of four
applies in June and August and,
as July is the main holiday
month in Sweden, there is
plenty of room in August.

The early months in Sweden
can be delightful and the
Swedes' idea of a chalet is cer-
tainly not a rather rudimentary
shack in the wilds of the
country. They tend to be in
groups and, with a choice of
departure from either Felix-
stowe or Newcastle, you can
hire a fully equipped chalet in
Varmland for as little as £56
per person, again with a party
of four, for a 9-day holiday in
May and September. If you
feel like combining Sweden with
Norway, a 16-night holiday,
spending a week in Sweden and
driving on to the spectacular
Norwegian fjords has a start
price of £130. Car transport is
included in all these schemes.

Irrespective of the country
chosen, there are also hotel
arrangements using a voucher
scheme under which you can
plan your own itinerary and pay
for your overnight accommoda-
tion before you leave. There is
a choice of budget or first-class
hotels and while carriage of
your car is not automatically
included, it is covered, again
with that familiar party of four
on departures in May August
and September from Felixstowe
and after August 15 from New-
castle. The rates vary according
to departure dates and hotel
category from £72 to £142 per
person for a full week over in
Sweden.

Fred. Olsen/Bergen Line, the day, a half-board arrange-
ment is preferable.

If you feel that you would
like to see as much as you can
of Scandinavia in a relatively
short time, a 12-day holiday
person for a self-catering holi-
day either at Mandal, on the
sunny southern coast in the
traditional holiday area of Sor-
landet, or in mountain cottages
at Aseral. They are all fully
equipped and bed linen, blan-
kets, crockery and cutlery are
included. Car hire charges are
sometimes quoted as a suppli-
ment. Their camping scheme is
somewhat different with a
voucher, available for use at 35
camp sites included at no
extra charge if you book a
normal passenger and car return
passage.

Scenery

Norway offers the most mag-
nificent mountain and fjord
scenery in Scandinavia. One
particular tour, covering nearly
900 miles, uses pensions and
guest houses in order to keep
costs down. The route from
Kristiansand takes in Voss the
Sognefjord, the Jostedal
Mountains, Oslo and the lovely
country of Telemark. You spend
two days, with full board, at a
pension on the Sognefjord,
which gives you a rest from
driving. With departures from
Harwich, the per person rate
varies from £231 to £287 with
an additional charge for car-
riage of the car both across the
North Sea and on internal
ferries in Norway of £34.

DFDS Danish Seaways operate
a sliding scale for car charges
but with four passengers the
vehicle goes free and is included
in package arrangements. Their
very popular farmhouse holi-
days, using your own car and
with half-board at the farm of
your choice, have a starting
price of £98 for a ten-day holi-
day with seven nights spent in
Denmark. Full board is also
available at a supplement and
you can extend your stay. Many
of the farms are near the sea
and I would suggest that, with
the freedom it gives you, to
explore the countryside during

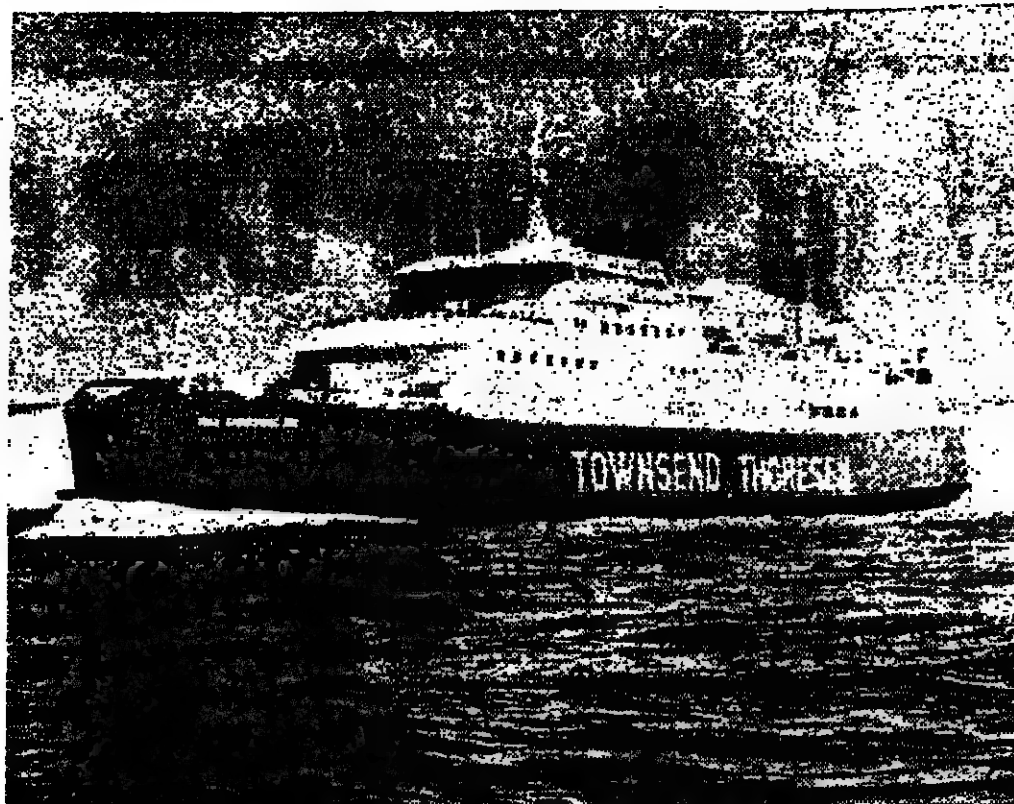
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somewhat different with a
voucher, available for use at 35
camp sites included at no
extra charge if you book a
normal passenger and car return
passage.

Finally, Prins Ferries, operat-
ing Prins Oberon and Prins
Hamlet on the regular crossings
from Harwich (Navyard) to
both Hamburg and Bremer-
haven, have gone in to the tour
operating business in quite a
big way with their Prinscar
holidays.

In the luxury market they
use some excellent hotels under
the banner "Where the Guest
is King" and the low rate for
a four-day holiday, including
return travel in cabin accom-
modation and transport of a car
irrespective of length and
spending two nights at an hotel
on a half-board basis, is £61.25.
There are supplements in high
season and extension of stay
can also be arranged.

They also cover farmhouse
holidays and, if your route
takes you through the Hanseatic
Cities, you can arrange to com-
bine a motoring holiday in
Germany with a visit to Finland.
My colleague, Sylvie Nickels,
takes up elsewhere in this
supplement the story of the
remarkable Finnjet which links
the North German port of
Travemunde to Helsinki.

ADDRESSES: DFDS (U.K.)
Ltd., Mariner House, Pepys
Street, London EC3N 4SX.
Fred. Olsen/Bergen Line, 229
Regent Street, London W1R
8AP. Prins Ferries, 19/14
Queen Street, London W1X
8BA. Tor Line Passenger
Division, Anzani House, Trinity
Avenue, Felixstowe, Suffolk
IP11 8XE.



Townsend Thoresen's Free Enterprise VIII.

The choice can seem confusing

BY SYLVIE NICKELS

CAR FERRY companies and
services have occasionally come
and gone since the initial boom
of the 1960s, but the overall
growth has been phenomenal in
the full sense of this overused
word. The Sealink consortium—
vessels to U.K. ports can help
ease the way: in 1978, Stirling,
British Rail Shipping, together
with partners in France, Hol-
land, Belgium—estimates its
1977 figures as 7.1m. passengers
and nearly a million cars on its
Plymouth, Stirling-Dover and
Stirling-Brekenhurst (South-
cross-Channel ferries alone).
Currently there are around 40
ferry routes connecting Britain
with the Continent as well as
internally, and if this seems a
lot, it represents less than 20
per cent of the total available
from the Baltic to the
Bosphorus.

If the choice seems confusing,
it is important to clarify what
constitutes the most convenient
crossing to meet personal needs.
Costings must take into account
distances from ports both from
home and the final destination.
Rotten sailors may think that
extra mileage is justified to
shorten their misery.

Others will revel in every
rollicking wave. If there are
potentially fractious youngsters

or less healthy members in the
party, it is obviously worth get-
ting there as quickly as possi-
ble. At this end, British
Rail's expanded Motorail ser-
vice to U.K. ports can help
ease the way: in 1978, Stirling,
British Rail Shipping, together
with partners in France, Hol-
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Bosphorus.

Sealink's old-established
Harwich-Hook of Holland cross-
ing is a major gateway to
central and eastern Europe,
with its easy link-up with main
autobahn / autoroute / auto-
strade systems. The same
applies to Rotterdam, reached
by North Sea Ferries from
Hull and, to a lesser extent,
Vlissingen (Flushing) served

by Olu Line from Sheerness.
Flushing provides a direct
entry into Zealand, that
relatively little exploited region
of south-west Holland. Provid-
ing you are prepared to be a
little windswept at times, this
little windward area for super
beaches, delightful old towns
and villages, and those really
labyrinthine seaways that are
being tamed by the technical
marvels of the Delta Plan.

Bargain

If you are not taking advan-
tage of any of the bargain re-
turn arrangements (usually
applicable to short stays, off-
season and/or departures at un-
social hours), you could go out
by one of these routes and re-
turn from one of the Belgian
or northern French ports, in
between enjoying a really quite
low-mileage tour (by European
standards) through countryside
that deserves far more atten-
tion than it gets. These could
include the very lovely river-
laced hills of the Belgian and
Luxembourg Ardennes, the
upper reaches of the Moselle or,
with a little more perseverance,

the splendid mountain-and-
vineyard country of the French
Vosges.

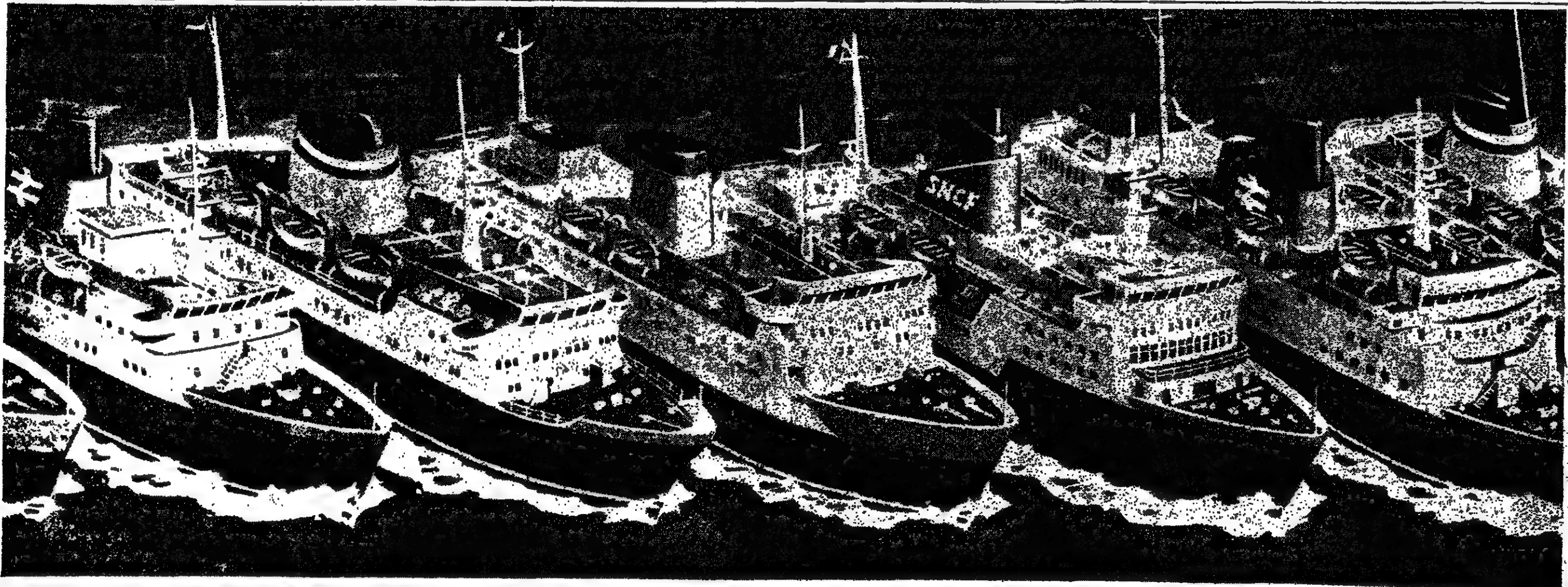
Zeebrugge is served by
Townsend Thoresen from Felix-
stowe and Dover, and North
Sea Ferries from Hull; and
Ostend by Sealink from Dover
and Folkestone. Sealink has a
dizzy number of routes on the
short-sea crossings to Calais,
Boulogne, Dunkirk and Dieppe.
Townsend Thoresen has Dover-
Calais, P and O Normandy
Dover-Boulogne, and then there
are the Hovercraft services of
Seaspeed (Dover-Boulogne/
Calais) and Hoverlloyd (Rams-
gate-Calais).

There is also the very inter-
esting growth of services out of
South Coast ports. Townsend
Thoresen operate from both
Southampton and Portsmouth to
Le Havre and Cherbourg, while
P and O Normandy link
Southampton-Le Havre, and
Sealink Weymouth-Cherbourg.
Normandy is another marvel-
ous low-mileage pottering area
through which most people
scurry on their way to Brittany
or anywhere south.

Brittany Ferries has the only
direct services to Brittany
itself from the mainland:
Roscoff from Cork and Ply-
mouth, and St. Malo from Ply-
mouth and Portsmouth. These
and the routes to Normandy are
also excellent, of course, for
reaching popular Dordogne and
other attractions of south-west France.

A few years ago, there was a
rash of ambitious routes to float
you and your car to the sun,
terminating in places like Vigo
and Lisbon and even Casa-
blanca. Alas, they did not
survive and, last year, even the
useful routes to northern Spain
flickered into extinction. The
latter at least is being revived,
this time by Brittany Ferries
with their brand new Plymouth-
Santander service starting in
April. Northern Spain is lush
and beautiful and, of course,
this route will open up the
whole of the Iberian peninsula.
And, though distances are by no
means meagre, there is the mini-
mum of traffic (once away from
that rather beastly north coast
road), and superb and little
known countryside to be
explored on the way to such
favourite regions as the Algarve
and the Costa del Sol.

We did the journey to the
Algarve last April. The routes
there and back through Spanish
cities like Burgos, Salamanca,
Leon, and through the almost
consistently beautiful hilly,
wooded, picturesque expanses of
Portugal, were only marred by
insufficient time. With local
touring and detours, we clocked
2,000 miles, and it was worth
every gear change of the way.



Wherever you're driving in Europe,

Wherever you're driving and wherever you start from, the
chances are that Sealink has the sailing that most suits you.

Sealink has more routes and greater frequency. For you
that means more choice.

Holiday bargains Sealink has lots of them:

New 24-hour motorists' excursion tickets, saving up to
50% of the normal fare.

New 60-hour motorists' excursion tickets, saving around
35% of the normal fare. 5-day motorists' excursion tickets,
saving around 20% of the normal fare.

Up to 50% discount on caravan fares on selected sailings
from Dover, Folkestone and Newhaven, and on all sailings from
Weymouth to Cherbourg, provided that you book at least
14 days in advance.

Only Sealink offers you a choice of 10 routes to the Continent.

1 HARWICH HOOK OF HOLLAND Sail in style towards the heart of Europe on one of our large luxury ships. A brand new ship comes into service this year.	2 DOVER OSTEND About 3½ hours. The shortest car ferry route to Belgium, and the most frequent service. Direct access to the European motorway network. Caravans at up to half rate on selected sailings.	3 FOLKESTONE OSTEND Belgium made easy from Sealink's own port on the channel. Caravanners can save 50% of the caravan rate on selected sailings from Folkestone.	4 DOVER DUNKERQUE Under 2½ hours crossing time, with fast access to the European motorways.	5 DOVER CALAIS One of Sealink's 5 'short sea' routes. Even greater frequency this year, with up to 11 sailings daily in each direction.	6 DOVER BOULOGNE A little more than 90 minutes, just enough time for a stroll on the decks, a drink, a snack and some duty-free shopping.	7 FOLKESTONE CALAIS A handy alternative Folkestone to Britannia No. 1
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JPL/col/50

TAKING YOUR CAR ON HOLIDAY III

Improving the comfort and convenience

BY SYLVIE NICKELS

WITH THE passing of the years, car ferries have increasingly become more than mere carriers of the passenger and his car. All sorts of facilities are offered to keep him happy on board and there are all kinds of services to make the rest of his holiday easier and often cheaper. On several major routes, 1977 prices have been frozen for the coming season, and some have even gone down. Most companies arrange mini cruises, some complete holiday packages, and yet others work in with one or more travel firms to cater for specific needs.

A number of the latter are geared to the camper and caravanner. The first company to actively encourage this section of travellers was Townsend Thoresen. It was in the mid-1960s that the company first began hiring out camping equipment, and since then the whole thing has snowballed until you can now rent anything from a tent to a table, a caravan

Sailings

Celebrating its golden jubilee this year, Townsend Thoresen has expanded its number of sailings by 17 per cent. to 18,500, is offering up to 50 per cent. reductions on transport of caravans on about 4,000 selected sailings, and up to 75 per cent. discounts on hire charges. Sample prices for periods of more than five days, according to season, are from £1.62-£3.88 a day for a four-berth Monza, and from £1.22-£2.82 a day for a camping pack for four, with tent, camp beds, sleeping bags and cooker.

Sealink offers hire of camping equipment in conjunction with

Blacks, arrange touring caravan hire in Belgium, France or Ireland, and have good reductions on certain sailings if you are taking your own caravan.

Though the great majority of motorists will be touring in countries nearer home, a minority will be heading for far-flung corners of the Mediterranean, not all of them accessible by overland routes. A considerable network of car ferries link its shores and many of its islands, but it is not always easy to get reliable information either about their timetables or their standards, which are often not what one might hope.

Sealink is one of the organisations which can help since the company markets the services of Tirrenia Line between Italy and Corsica, Malta, Sardinia, Sicily and Tunisia; also a variety of Italian and Greek companies' services between Italy, mainland Greece and Corfu. The

Danish company DFDS runs its own schedules from Italy to Spain and Tunisia, while P & O Normandy is the agent for SNCM ferries from the south of France to Corsica, Sardinia and North Africa.

Fares

P & O Normandy, incidentally, in addition to freezing 41 per cent. of their fares is actually reducing 31 per cent. of them on the sound principle that cash benefits are of more general advantage than more gimmicky offers. It is the only southern route carrier, too, to carry bicycles free, though cycling enthusiasts heading for Scandinavia will be familiar with this facility. Even the motorist gets a free passage for his car on some routes to Scandinavia at certain times and under certain conditions.

Most companies are offering a bargain rate based on short

trips of a maximum of five days. In the case of Olau Line, up to four adults and a car can travel for £76 until the end of April. Brittany Ferries has a similar offer on the Brittany routes costing £30-£100 according to season. On the new route to Santander, they will carry our car free or at a low rate, again according to season. For this twice weekly service, they also have a special half-price arrangement for accommodation at Holiday Inn, Plymouth, for the night prior to the Monday morning sailing.

Assistance with overnight accommodation is a useful new facility available through P&O Normandy, with twenty-one 2 or 3 star hotels to choose from in France, thus obviating that last-minute hunt for a resting place at the end of a day's driving.

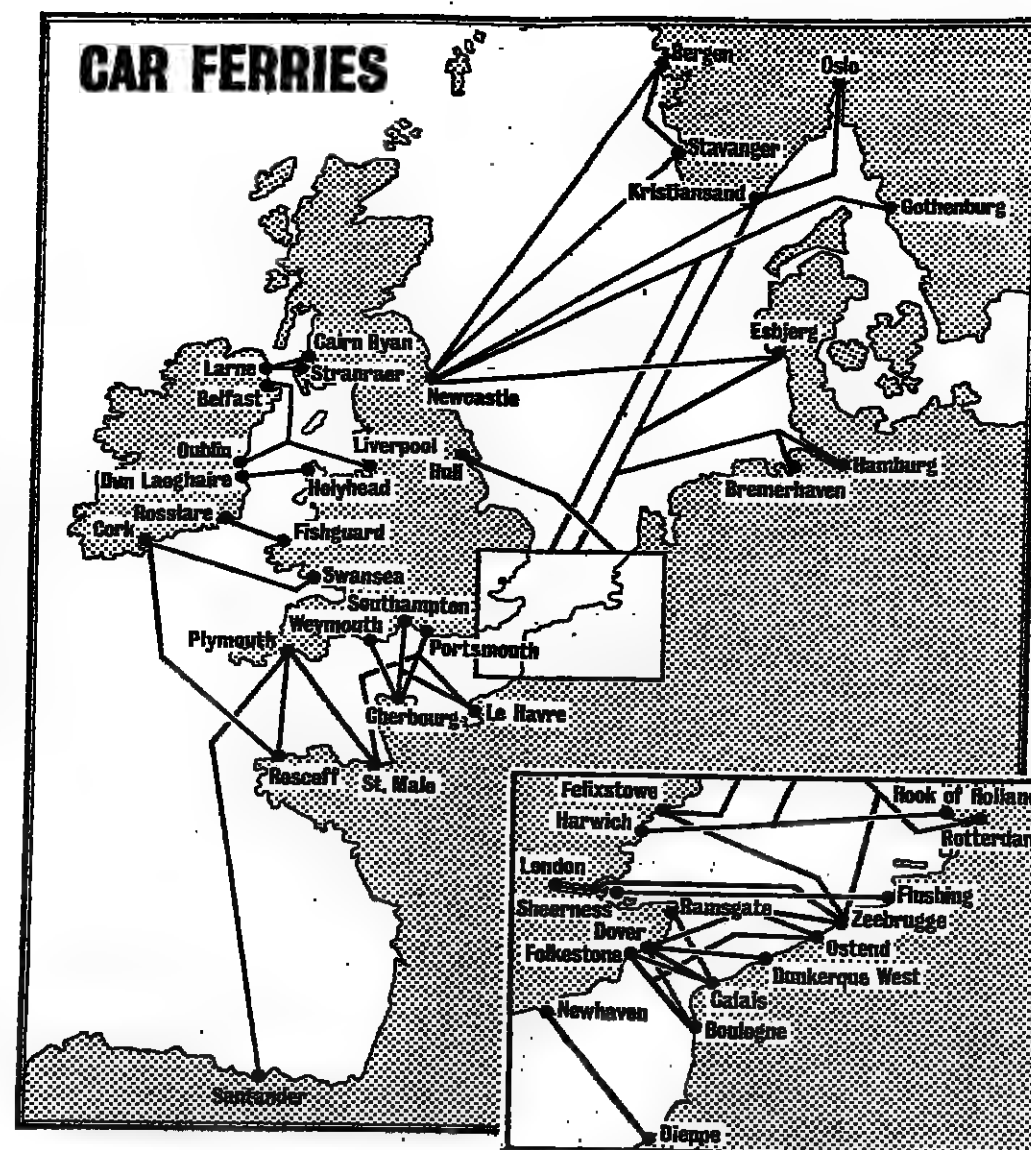
Among the most misunderstood "perks" of overseas travel are duty-free goods. In a recent trade report, on-board prices for a whisky on services to the Continent ranged from 20p-£1.08p and a packet of cigarettes from 32p-48p.

Broadly speaking, the further north one goes, the higher the cost of these items, with Sweden topping the list for spirits. Paradoxically, Tor Line offers one of the best bargains in duty-free packs on the return journey from Sweden: SK55 (about £8) for a litre of spirits, a bottle of wine and 300 cigarettes.

Choice

In nearly all cases, car ferries offer a choice of self-service or waiter-service meals which are in addition to the fare. Unusually, North Sea Ferries' fares on routes to Rotterdam and Zeebrugge include all food: five-course dinner, early morning tea, English or Continental breakfast and fresh fruit in your cabin.

So you pay your money and you take your choice!



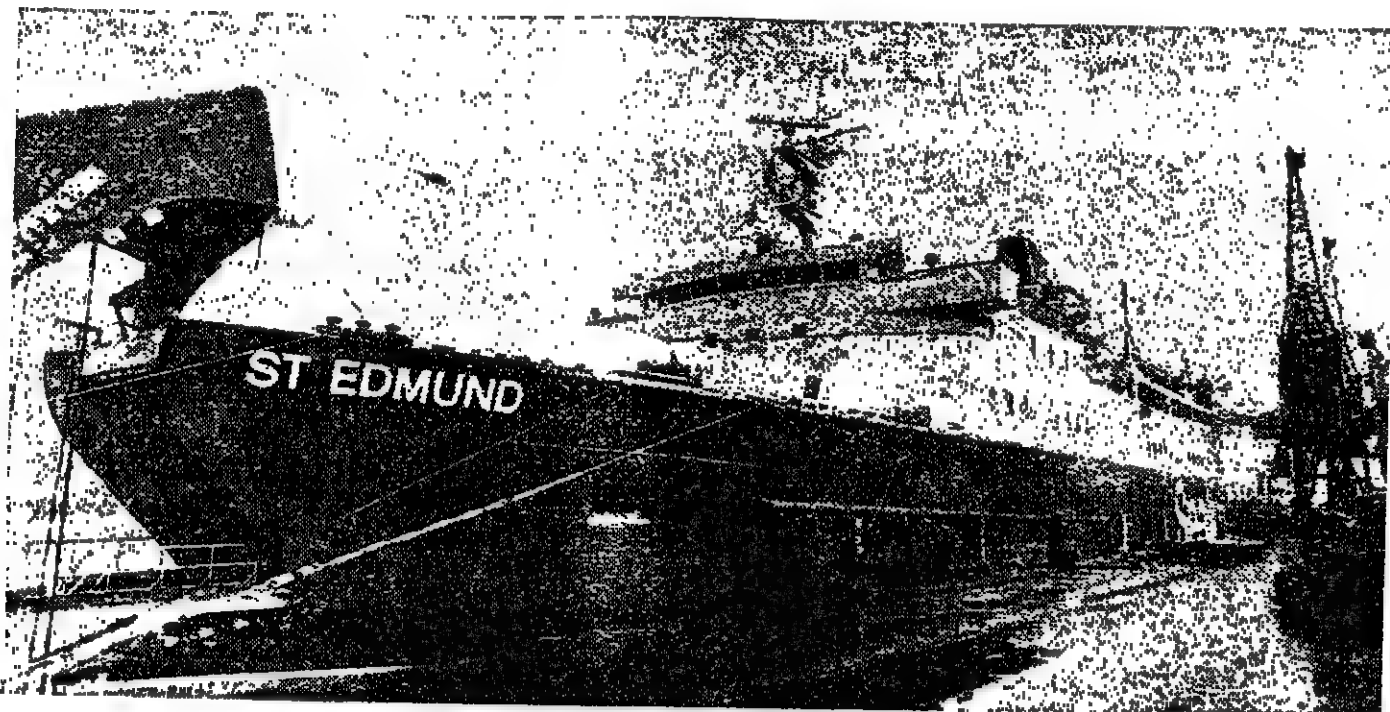
Drive CONTINUED FROM PAGE 1

the craft is prevented from flying because of rough seas, there is no possibility of a quick switch to an adjacent ferry, as is the case with Dover. There are many different stories of this alleged unreliability of hovercraft in bad weather, but suffice to say that Seaspeed claims it loses no more than 1.5 per cent of flights as a result.

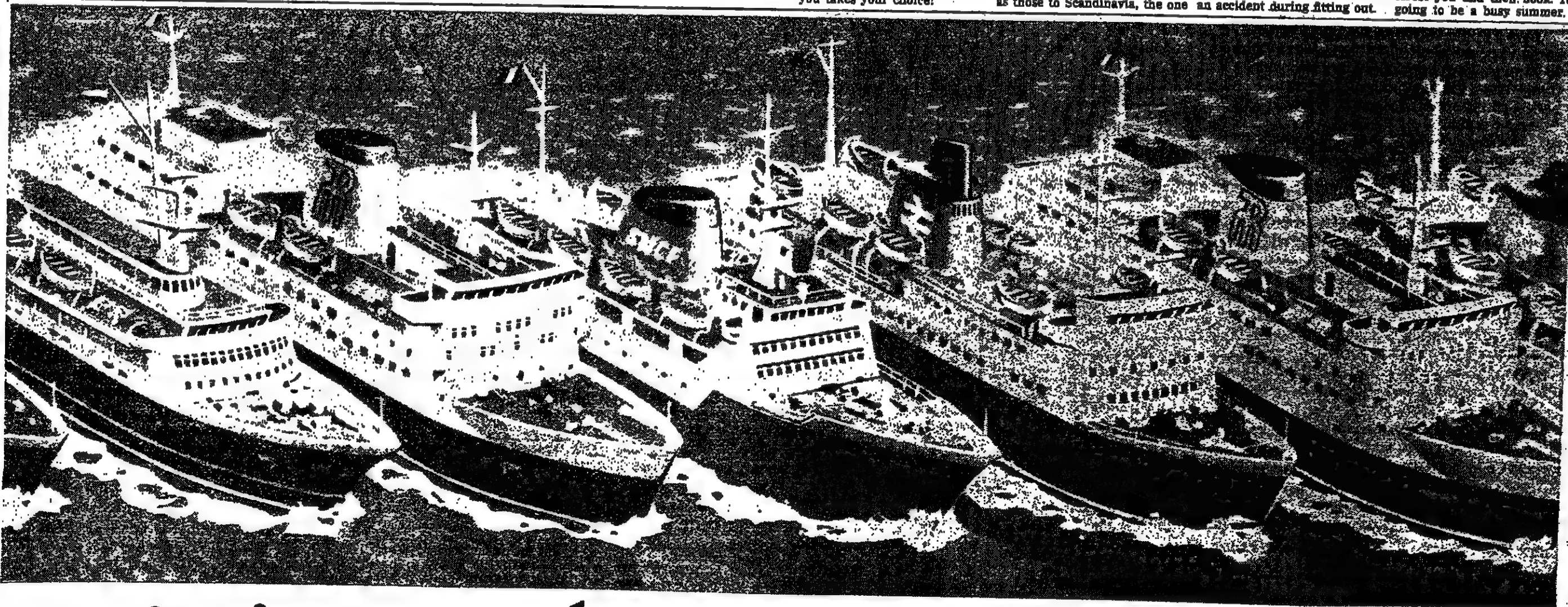
When it comes to booking, advice also varies considerably, around £700,000 after it had taken one of its SRN4 craft out even at peak week-ends it of service for enlargement only ought to be possible to get a space on the spot, except for placement, the French-built more specialist routes, such as SEDAM N500 burned out after an accident during fitting out.

This summer, fortune perling because of rough seas, there is no possibility of a quick switch to an adjacent ferry, as is the case with Dover. There are many different stories of this alleged unreliability of hovercraft in bad weather, but suffice to say that Seaspeed claims it loses no more than 1.5 per cent of flights as a result.

So the best general advice is probably to weigh up with care the offers on the lines which serve the ports which interest you and then, book. It is going to be a busy summer.



British Rail's ferry St. Edmund at Harwich.



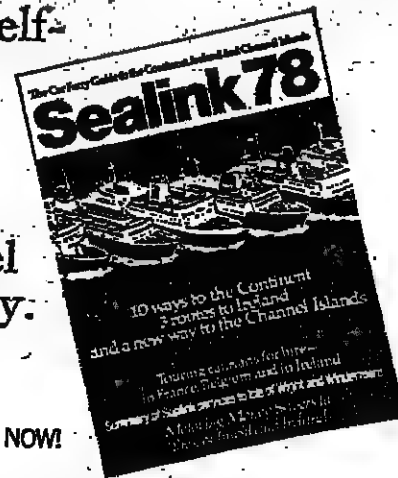
you're just a sailing away with Sealink.

Special reductions in camping equipment hire through Sealink and Black's Camping and Leisure.

Great value touring caravan hire in France or Belgium. We supply the caravan. You use your own car and save on the transport costs.

Inclusive motoring holidays in France, in association with the French Travel Service. This is a whole new

programme called 'Les Vacances Vertes'. There are self-catering holidays in Gîtes (typical French country cottages and apartments), in caravans and in tents. Alternatively, there are motoring tours with accommodation in hotels and guest-houses booked for you. Get the Sealink '78 brochure from your Sealink Travel Agent—it's worth paying a visit now and planning early.



FROM YOUR SEALINK TRAVEL AGENT NOW!

7 FOLKESTONE CALAIS A handy alternative to Dover. Folkestone is fast becoming Britain's No. 1 caravan port.	8 FOLKESTONE BOULOGNE The most popular 'short-stay' route, ideal for Sealink's 24-hour, 60-hour and 5-day motoring excursion tickets. Crossing time about 100 minutes.	9 NEWHAVEN DIEPPE The fastest direct route to you live in Surrey and Sussex.	10 WEYMOUTH CHERBOURG The shortest route to Cherbourg with good road access from the Midlands, the South West and Wales. Plenty of offers, and caravans at up to half rate on all sailings.
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Sealink EUROPE

We'll show you the way

Sealink

CARS TO FRANCE GO CHEAPER WITH ME.

SAYS NORMAN D.

For 1978, P&O Normandy Ferries are actually reducing some of their fares.

So before you book your crossing to France, compare the cost of taking your car with us and with other ferry companies.

You may well find that P&O Normandy Ferries is the cheapest way for you to go. And what a way to go.

All ships on our Dover-Boulogne and Southampton-Le Havre routes have bars, self-service restaurants and duty-free shops.

On the Southampton-Le Havre route you even get a choice of sleeping accommodation. Either reclining sleeper seats, included in your fare, unique to P&O Normandy Ferries. Or couchettes or cabins if you pay slightly more.

So, as you can see, you needn't get less of a ferry service when you pay less for your ticket.

I'd like to know more about the cheap, comfortable way to France. Please send me my free colour brochure. Send to: P&O Normandy Ferries, Box 2, Feltham, Middx. TW14 0TG. Tel: 0703 34141.

Name _____

Address _____

FT21/1

P&O Normandy Ferries
DOVER-BOULOGNE-SOUTHAMPTON-LE HAVRE

CAR HOLIDAYS

ABROAD
Channel crossing for 2 with car of any length, 2 nights B & B, insurance, maps etc. from £23. Further nights B & B or demi-pension bookable in happy little French hotels from around £5 a night.
Ring Harford (0922) 59933 or write: CAR HOLIDAYS ABROAD, Bell Plain 338, Harford SG14 1DY.

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OFFERS 'GO AS YOU PLEASE' IN FRANCE
Take your own car or Fly/Drive in the beautiful, unspoilt regions - Auvergne, Pyrenees or Aquitaine. Harford & Price Ltd 84 Guildford St., Chertsey. Tel: 61398

The take-it-easy 600 mile drive.

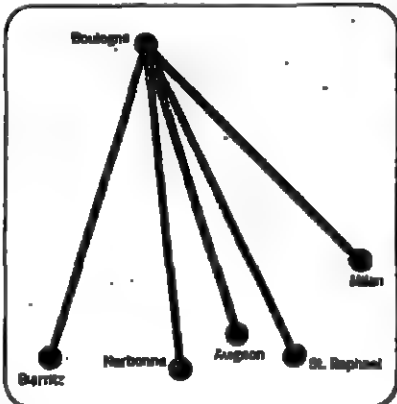
If you enjoy pottering through France in your car, carry on - you'll have a lot of fun. But when you're making a dash for the sunshine and beaches, French Motorail is the take-it-easy answer.

We'll speed you from Boulogne to five convenient centres during the summer (and to 14 more from Paris) while you and your family sleep the night away in comfort, saving you the effort and aggro of a 600 mile drive to the south.

Not to mention the petrol, tolls and overnight stops. What's more, you'll gain a whole day's holiday, there and back.

And if you're taking the children, ask about our Family Tickets - they could save you money on the fares. Bonnes vacances!

Not taking your car? Our 'France-Vacances' railover ticket offers you the freedom of French Railways for 9 days, 16 days or a month from £47.90.



Please send me details of the following: Tick brochures required. Motorail Services ☐ Sealink Car Ferries and Seaspacer Hovercraft ☐ 'France-Vacances' ☐ Inclusive Holidays ☐ General Timetable and Fares List (including London-Paris ☐ Silver Arrow ☐

Name _____

Address _____

FT21/1/78

French Motorail French Railways Limited, 179 Piccadilly, London W1V 0BA

Wavemaking reductions to Germany!

We're offering up to 19% fare reductions in '78! Great car savings and big reductions on through fares to Scandinavia, too! And now, breathtaking holidays when you get there: fine hotels, motoring tours, country guesthouses, self-catering holidays, and city trips, to name only a few. Fill in this coupon for our colourful brochure and timetable!

Please send me your 1978 Timetable. Tick box if you require: Holiday Programme ☐ Through fares to Scandinavia ☐

Name _____

Address _____

FT 1

Prins Ferries, 13/14 Queen Street, Mayfair, London W1X 8BA. Tel: 01-493 9017

PRINS FERRIES
DIRECT & DAILY TO GERMANY

TAKING YOUR CAR ON HOLIDAY IV

Increasing the variety

BY SYLVIE NICKELS

IT IS JUST 50 years ago since, with significant results, a private car was damaged while being crane-loaded on to the mail boat from Dover to Calais. The incident prompted its owner to buy a collier called the *Artificer* and set up his own ferry service. It carried 15 cars and a limited number of passengers; and it transported 8,000 cars to the first year. Surplus passengers travelled on the mail boat.

Sophisticated

The car owner was Captain Stuart M. Townsend, whose name is still perpetuated by the company which is today British Rail's biggest rival on the short sea ferry routes. Townsend's (now Townsend Thoresen) were not quite the first, however, to take the bold step of abolishing the crane. In 1948, the Atlantic Steam Navigation Company acquired three tank landing ships, converted them and began ferrying vehicles and equipment to the British forces in Germany. Two years later, the company's Transport Ferry Service launched the first drive-on drive-off route for commercial traffic. Now a sister company of Townsend Thoresen in the European Ferries Group, TFS continues to operate a highly sophisticated roll-on roll-off service, with a limited number of passengers, between Felixstowe and Rotterdam's Europoort.

As we have seen, much has happened since those early days. Perhaps the most surprising

thing, given our geographical status, is that it took so long to happen. That Scandinavian interests have played such a prominent part in the development of our new and old routes is less surprising when one thinks of how long a well-organised network of car ferries has existed in the Baltic and its ramifications. Denmark, Sweden, Finland and their many islands are linked by a fleet of floating transport which, incidentally, can add a great deal of pleasure to a Nordic tour.

My first experience of these was nearly 20 years ago on a freezing January night as we nosed our way between Stockholm and the south-west Finnish port of Turku. My notes from that occasion give an awesome account of screaming winds, swirling snow and the groan of the Baltic ice; but, bad sailor though I am, it was enormously exhilarating. There have been innumerable crossings since then in all seasons and by most routes, and the summer evenings of golden light on the pink granite, green pastures and dark forests of the archipelagoes have left some of the most lasting travel memories.

The Scandinavians take the

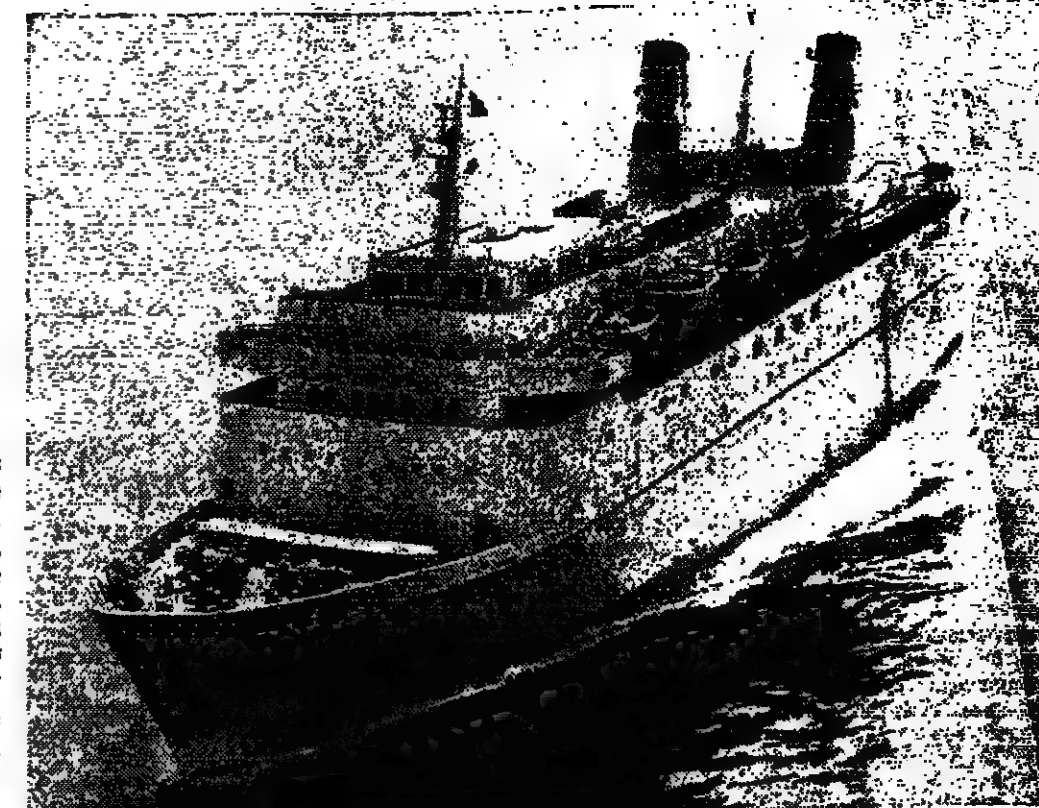
vicissitudes of their seasons stoically. Problems are there to be solved; in order to travel through ice you must break it, and so they—and especially the Finns—have developed a reputation for building ice breakers that are second to none. It is a rather nice piece of one-upmanship that one of Europe's smallest countries (in terms of population) has produced an ice-breaker which is also the largest, fastest, most modern car and passenger ferry not only in the Baltic, but in the world.

Familiar

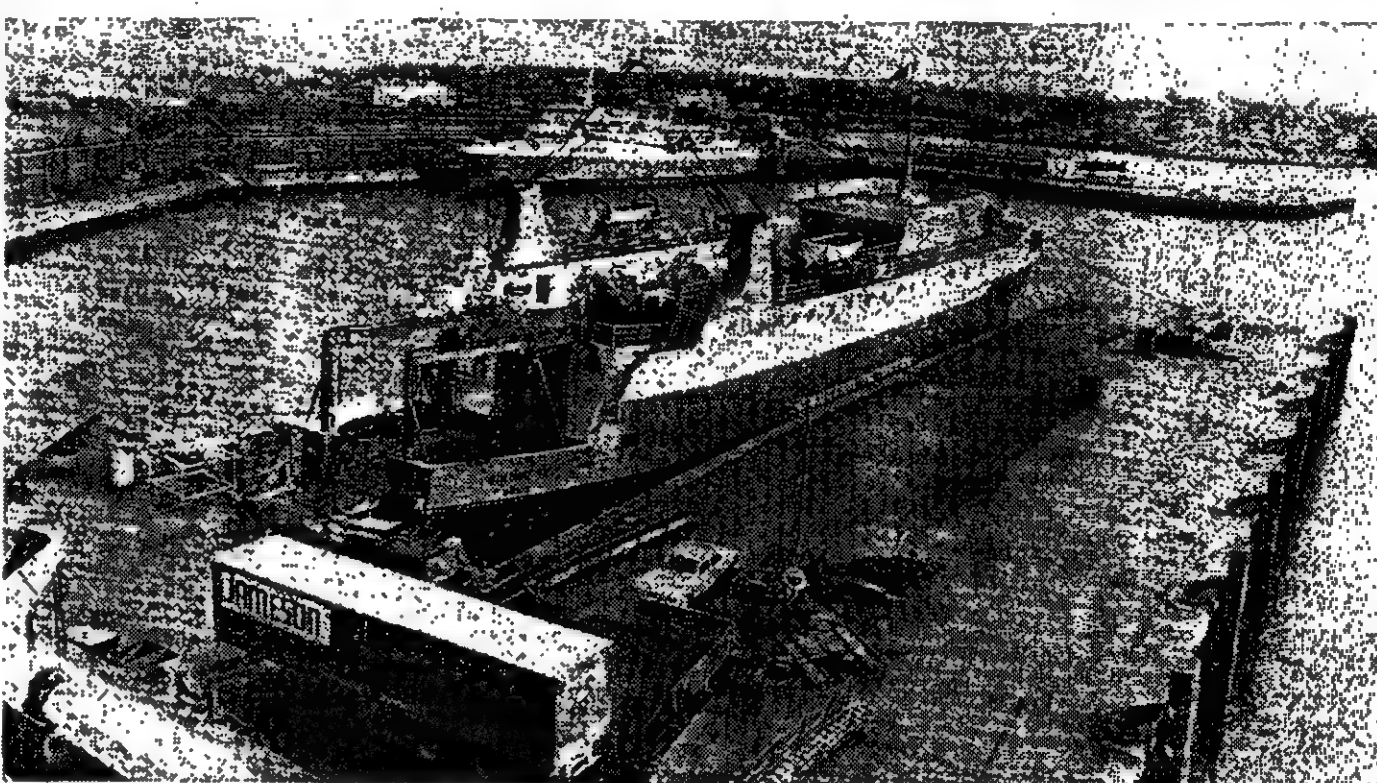
The Finnjet, built in Finland's Wärtsilä shipyards, where her growth behind a bristle of scaffolding became a familiar part of the Helsinki waterfront scene, was brought into service early last summer. Powered by two gas turbine engines, modified versions of aero jet engines, together generating 75,000 horsepower, she has been described as a ship of the future. Certainly she makes an impact on the present, with her 23,000 gross tonnage, 700-foot length, cabin space for 1,532 passengers, and car deck capacity for 350 cars.

The passengers themselves, though, will be more concerned with the speed and the comfort with which they can now achieve the crossing from Travemünde in northern Germany to Helsinki: 22 hours, compared with more than 40 hours under a year ago. Most cabins have more than usual elbow room and incorporate evidence of another Finnish talent: flair for design. Other amenities might be the envy of many a cruise ship and include restaurant, grill-room, dance saloon, all-night bar, casino, disco, swimming pool, saunas, solarium, cinema and a well-equipped play area for the

youngsters. As a floating conference centre, she can also cater for up to 400, with all the necessary technical equipment that this entails. Businessmen with a need for regular visits to Finland can get a real cruise to the USSR. All manner of other combinations can be made by motorised ferries for the explorers of Europe, and information on the range of ferry services is available from the national tourist offices concerned. Further information on Finnjet lines from: Thomas Cook, 45 Berkeley Street, London W1A 1EB.



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Irish choose a slower pace

BY PAUL MARTIN

IT WAS completely by chance that I visited the Republic of Ireland for the first time five years ago and I have since returned there each year with increasing pleasure and a deeper appreciation of all that the country has to offer.

While no one should attempt to dismiss the problems that still exist in N. Ireland, they have little immediate impact in the Republic as the visitor or, in Irish terms, "the friend," seldom hears about them while spending a holiday in that green land where the slower pace of life is one immediate blessing.

Rural

Motoring in Ireland is a delight, again always provided that you slow down to the Irish tempo and are prepared to wait patiently while the occasional stray or a herd of cows crosses the road in front of you in a fairly unregimented fashion. With cows more numerous than fellow motorists, it is all part of the winding-down process. Although there are countless excellent package arrangements to Ireland, including a wide range of farmhouse holidays where you come into close contact with what is still a predominantly rural community, you will always reap the maximum holiday harvest if you either take your own wheels across the Irish Sea or hire a car on arrival.

As I have spent more time in Cork, Kerry and Clare and always enjoy travelling by sea, the overnight crossing from Swansea, operated by B and I Line, provides its own built-in bonus with the lovely early morning approach up the River Lee, past the cathedral at Cobh, before you tie up close to Blackrock Castle at Cork Ferryport—and enter the gateway to

the darling countryside of Southern Ireland.

In addition to their Swansea-Cork services, B&I also operate regular car and passenger services between Liverpool and Dublin and, with an economy fare applying throughout the year with the exception of mid-July to mid-September, the rates are effectively lower than two years ago. Last year's figures were excellent and both the ferry operators and the Irish Tourist Board are anticipating an increase in traffic this year.

If you have only limited time at your disposal, B&I has recently introduced a new Weekend fare of £45 return, covering two people and a car, valid until May 1 with the exception of the Easter week-end. This fare covers any sailing from Liverpool on the Friday morning with the proviso that you must return on the Monday. It does not apply from Dublin to Liverpool.

B&I have also tied up some very advantageous rates with Avis under the brand name of Sail 'N' Rent. Under this system you can either hire the car in the U.K. or collect one on arrival in Dublin or Cork. In the peak period (July 1-September 30) the weekly cost for the hire of a Ford Escort is £38 per head, based on four people travelling together. Outside this peak period the hire charge goes down to £26.50 per head. In all cases this B&I/Avis package includes the return crossing either from Liverpool to Dublin or from Swansea to Cork.

A wide range of motoring holidays, linked to B&I's routes, is available from Caralreland Tours. If you want to savour the beauty of the countryside and sample Irish hospitality, you can cross on either route and spend a week on an Irish farm for as little as £59 per head providing four of you are travelling together. These rates—the price

goes up to £71.50 per head for a party of four travelling between July 11 and September 11—include return travel with a car of any length and seven days half-board accommodation at the farmhouse of your choice.

This is just one example of the many variations available and, if you opt for a luxury caravan with a party of four on a self-catering basis, the rates vary between £31.50 in the low season and £48.50 per person during the peak months of July and August.

Again taking the peak period of July and August, the inclusive price for this self-catering package, using Sealink on either the Holyhead-Dun Laoghaire or the short Fishguard-Rosslare crossing, works out at £67.25 per head, with five people in the party, including passenger fares and a car of any length for a fortnight's holiday. With only three travelling together and on the same basis, a week in the lovely month of May costs £40.25. B&I, Caralreland, Sealink and the Irish Tourist Board will provide further information on request.

International

Finally, in response to all those mutterings about the non-availability of duty-free goods on what is, by any definition, an international route, the whole question has now been taken up by the two governments to see if, in the words of a recent Press release, "they could give the green light fairly soon."

ADDRESSES:
B&I Ltd., 155, Regent Street, London W1R 1ED
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Irish Tourist Board, 150/151 New Bond Street, London W1Y 0AQ
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After the storm, the reckoning

HE DAMAGE caused by last week's ferocious storms on the east and South-East coasts of England have drawn attention to the need for every household to have adequate insurance. Mr. Ken Marks, Undersecretary of State at the Environment Department, after visiting the worst hit areas has expressed his dismay that on council estates, very few householders have insurance for the contents. But the damage has also shown that what the customer needs above all from an insurance company is a prompt and sympathetic claims service.

This point was brought home to me in a very real way, as I was one of the victims of last week's storm. I live on a council estate in the North East Kent coast at Whitstable. Admittedly, I was as lucky as most, as the only damage was a snapped off television aerial, while houses a few minutes away are still drying out after flooding. But I was as able as a reporter on the insurance industry to experience, at first hand, what insurance is really about (it is much more than investing funds) and to see how the industry coped with an emergency.

I visited insurance offices in Kent by the storm to find out how they deal with the situation. I was interested to see that happened on the spot rather than talk in the more strident atmosphere of head offices. So on the day after the disaster I went to Canterbury, the local offices of Sun Alliance and London Assurance and Royal Insurance, two companies with the largest personal household insurance accounts in the U.K. Both these branches were responsible for the areas flooded in Kent. I also visited the local branch of the Norwich Union Fire Insurance Society in Kings Lynn.

The story told at each branch was virtually the same. The

staff had a good idea of what to expect—those at Kings Lynn had gone through it all before two years ago. So they all came in early—most staff work flexible hours anyway—from the branch manager down. Perhaps the most important of all the switchboard operators came in early. And the expected happened. On the Thursday morning, the telephone calls came in from policyholders hit by the storms, asking what to do.

Emotional

At this early stage, the main function of the staff was to advise and reassure. In effect, they provided a shoulder to cry on. Because this is bound to be a time of emotional stress for the individual, the essential thing is not to leave a caller waiting on the phone for any length of time. He needs to talk to someone and have his case dealt with. It was a case, as one branch manager put it, of all hands to the pump. Every member of the staff in those early working hours was dealing with storm and flood claims.

One would expect that the claimants would be agitated, but surprisingly enough most adopted a matter-of-fact approach, even those with four feet of water in their living rooms. But some policyholders did need calming down so that they could talk coherently. Everyone on the staff took down the basic details of name and address and the nature and approximate extent of loss or damage. They could then advise on the steps to be taken by the policyholder and read out the claimant that his case would be dealt with as quickly as possible and that a claim form would be sent to him. This is a different from normal procedure for claims, except that usually they are dealt with by someone in the claims department.

Since King's Lynn was directly affected—the floods stopped only yards from NU's office there—there was a steady number of callers as soon as it opened. The sub-offices on the coast of the Canterbury branches also had many policyholders call direct.

There were two main categories of damage—storm and flood—and each needs different advice. With storm damage, such as the roof being blown off, it is essential that temporary repairs are effected as soon as possible to avoid further damage and this is part of the cover given. Otherwise rain entering the house could cause even more damage than originally occurred. So claimants were advised to contact a local builder and do what they could themselves. It was fortunate that the storms were not accompanied as followed by heavy rain.

Flood damage, on the other hand, first needs the water removed and the mess cleaned up. And it was quite a mess. The floods at Kings Lynn from the tidal waters of the River Ouse left a coating of mud and silt. The sea around Kent deposited a carpet of shingle and mud. The lack of services normally provided by firemen—where they were on strike—meant that most householders had to do it for themselves. All reports indicate that there has been difficulty getting hot air appliances for drying out. The cost of cleaning up is normally covered by insurance, but it is difficult to find anyone to do it.

Now that the preliminary stages are over, the insurance company can get down to settling claims. The popular belief is that insurance companies in this situation will invoke Acts of God to avoid payment. This is not true. Insurance companies exist to pay

claims and time spent arguing over a claim costs money. But insurance companies have to settle in accordance with the terms of the policy and this is where misunderstanding can arise.

Although practice varies between companies, in general branches have a large degree of autonomy in settling small claims in widespread emergencies and in times like these short cuts are introduced into normal procedures to get the claims paid quickly.

With straightforward storm damage, claims settlement is simple. The bill for the work, including temporary repairs, is the amount of the claim provided it does not exceed the sum insured limit. Policyholders can either pay it themselves and be reimbursed by the insurance company, or have the bill paid direct provided they have notified the claim. Their local insurance manager almost certainly knows the builder involved. Most leading insurance companies usually pay storm claims in full, even if the property is not fully insured. The claim comes under the household policy and the only limit is the actual sum insured. This contract usually contains an excess, normally £15; that is the householder pays the first £15 of the bill.

Flood damage, however, presents trickier problems. Most of the damage will be to contents, so the claim will be on a contents policy. But there could be damage to the structure—the wiring should be checked by a qualified electrician because of the corrosive effect of salt water—and this would be claimed on the buildings policy, providing it covers flood. This is a choice that the policyholder makes when he takes out the policy and some claimants are now coming home to roost.

Thus in cases like these the advantage of having both policies with one insurance company become apparent.

At present, there are two types of contents policy available—a replacement and an indemnity. Under the former, cover is based on assessing the monetary liability on the cost of replacing contents by new items. Therefore if householders have "a new for old" policy, they can, within reason, replace damaged goods by new ones and not bother overmuch about cleaning up.

Under an indemnity contract, the liability is assessed on the present value of the items. Therefore it would cover costs of drying, cleaning and repairing but not replacing the items in full. Explaining the difference between the two types of policy and advising on the appropriate course of action is occupying a lot of time of the branch staff.

For instance, on a "new for old" replacement policy, the householder can get rid of his carpets if they are badly stained, and install new ones. On an indemnity policy it is best to get them cleaned because that is the extent of his cover. Of course if the carpet has only a damp spot on one corner, the householder, with a new for old policy, could not claim for a new carpet but only for cleaning.

Salvage

Contents being replaced become the property of the insurance company, known as salvage, and are sold to dealers or even staff members.

Contents policies tend to have inadequate sums insured, because householders neglect to up-date cover at each renewal. This could affect some claims, but most leading companies pay up to the sum assured limit. But this in itself may not be sufficient. Insurance companies



Hosing mud off the walls of the public bar of the Crown in King's Lynn, where storms caused floods of up to five feet deep.

are not social service units dispensing largesse, however deserving. The money they pay comes from premiums received from all policyholders, many of whom never make a claim.

The Royal branch manager, Mr. Ted Cobb, has authority to settle claims of up to £200 automatically without even inspecting the damage. This speeds up claims settlement enormously and he reckons that the average time from first notification to paying the cheque is about a fortnight. Larger claims are inspected by his claims inspectors—he has six, and they have been supplemented by his six new-business inspectors. His staff started inspecting damage on the day after the storms.

The Sun Alliance has a similar system with claims of up to £200 being settled at the discretion of the branch manager, Mr. Peter Bartlett. In larger cases, either the claims inspectors or loss adjusters would first assess the damage, advise on which articles need to be replaced and agree on value. The group makes more use of loss adjusters than the Royal and has a computerised claims handling system; it has a considerable volume of block

building society business on its books.

Mr. Derek Bradshaw, the local NU manager at Kings Lynn, has a £500 limit on claims which he can settle. He went through it all in the storms of two years ago, when the company's Norfolk area paid out £400,000 in claims. He considers the damage to be just as extensive this time. While visiting the branch on Monday, one lady was already submitting her claim form for flood damage, having first called in the office the previous Friday and received guidance from the staff. Once the Gas Board had completed repairs, her claim would be settled. The staff had already checked policy details.

But some severe cases will take much longer to settle. One house I visited by the river in Kings Lynn had suffered severe damage when the tide came over the wall. It was a heart-breaking sight. The carpets had just been removed and the floorboards underneath were thoroughly wet with no means of drying out. The salt water had ruined three storage heaters. The wallpaper seemed ready to come off the wall. Much of the furniture looked

ruined. The loss adjusters had already been, but it was obvious that they would have to call again. It will be some time before the cost is known.

In cases such as these, insurance companies are usually willing to make interim payments to alleviate hardship. Insurance companies know that at such times they are effectively on trial to see if they do their job. My impression is that they are being closely watched by the public. Mr. Marks has liaised with the British Insurance Association in this respect. Any policyholder in doubt should seek advice from his branch on what to do. If he is not satisfied, then by all means go to head office or the BIA.

The storms have taught a hard lesson to many people. This is the need for the right insurance policy for their home and the need to keep cover up to date. The advantages of a replacement policy have been demonstrated and the extra premium seems worth while (about 50p per £1,000 of cover) to those now making claims. If everyone were adequately insured there would be little need for the relief funds now being launched.

LABOUR NEWS

Shell tanker men want to see Booth

BY NICK GARNETT, LABOUR STAFF

SHOP STEWARDS representing about 2,000 Shell tanker drivers are seeking a meeting with Mr. Albert Booth, the Employment Secretary, over interpretations of the pay guidelines.

The company has offered a 15 per cent deal, including 5 per cent for productivity, but the stewards want improvements in wage consolidation.

The company says the improvements would mean a pay increase of at least 20 per cent. It was confirmed that they would be outside the guidelines in a meeting yesterday between Department of Employment officials, shop stewards, and management representatives.

The stewards, however, say they could be kept within

the guidelines if there was a firm commitment to reduce overtime.

Mr. Jack Ashwell, the Transport and General Workers' Union national officer for transport, said a similar arrangement had been worked out for BP refinery operators at Grange, mouth, who had received 14 per cent payments without a productivity element.

The Shell productivity payments have been offered in exchange for manpower savings and an increase in delivery speeds.

Shop stewards representing Esso and Texaco drivers, who have also been seeking increases of 30 to 40 per cent, are due to meet next week.

Rolls-Royce engine men lift their sanctions

BY PHILIP BASSETT, LABOUR STAFF

WORKERS at Rolls-Royce's aeroplanes plant at Parkside, Coventry, yesterday lifted sanctions to allow talks to start on pay claim the company says this 30 per cent.

Since January 4, more than 800 manual workers have annulled overtime and have not sub-contracting work go in or out of the factory. This had been to affect production of the RB199 engine for the Tornado fighter, and the Pegasus engine for the Harrier at Rolls-Royce Bristol plant.

Rolls-Royce started to lay off men on Thursday because of the sanctions. The men started a work in. The lifting of sanctions allowed a mass meeting yesterday.

"The manual workers want a 'substantial' percentage increase and improvements in working conditions. Rolls-Royce has offered an across-the-board 15 per cent plus supplement of £4.50 to some men to adjust differentials.

Rolls-Royce say that negotiations cannot proceed until it has 'tangible indications' from the union representatives that a long-standing agreement to end money piece-work—which can mean a difference of £3.90 a week for some workers—will be brought in.

In a separate dispute, 950 workers at Rolls-Royce's marine engines plant at Ansty, near Coventry, were laid off last night because of a sit-in by 120 men over grading since January 12.

No 12½%, teachers told

12½ PER CENT, pay claim teachers were turned down by the management panel of the Unham Committee at the end of negotiations yesterday. The management side, which had made a formal offer at the 21st round of talks on February 1, indicated that it was not prepared to go outside the Government's pay guidelines. This was attacked by Mr. Fred Jarvis, general secretary of the National Union of Teachers, and leader of the union side on the Unham Committee, who said it looked as though the negotiations were in for a "stormy passage."

There was no satisfactory settlement by January 27, would seek a programme of industrial action. It was willing to have further talks. The Newspaper Society was adamant last night that the clause banning local deals should stay, and that no more money would be conceded. It said the Department of Employment had insisted on this.

Provincial papers face action

Provincial newspapers could face a disruption over a small pay claim.

The National Union of Journalists says only if employers allow additional local pay it will accept a 10 per cent pay offer of £7.09p for 8,500 members in England and Wales. The NUJ's Provincial Newspaper Industrial Council said if

there was no satisfactory settlement by January 27, would seek a programme of industrial action. It was willing to have further talks.

The Newspaper Society was adamant last night that the clause banning local deals should stay, and that no more money would be conceded. It said the Department of Employment had insisted on this.

Corby protest

MASS MEETING today of Iron and Steel Trades Confederation members at British Steel's plant Corby, Northants, will consider industrial action over the management's refusal to meet demand for a 10 per cent

TV peace move

AFTER A WEEK of talks the BBC and the Association of Broadcasting Staff have agreed to renegotiate a pay agreement, subject to ratification by the ABS next week. A recent dispute over the working of BBC engineers, considerably disrupted BBC TV programmes.

Record share sales by private investors

BY PETER RIDDELL, ECONOMICS CORRESPONDENT

PRIVATE INVESTORS have been selling shares at a record rate—taking advantage of the recovery in stock market prices since autumn 1976.

Figures published by the Central Statistical Office yesterday show that the personal sector sold company securities valued at £248m. between July and September last year, a peak for any quarter.

During the first nine months of last year private investors cut their shareholdings by £1.94bn, compared with £1.35bn. in the whole of 1976 and just short of the previous annual peak of £2.26bn. in 1975.

If this trend continued in the final three months of last year, the total for 1977 easily will have been a new record.

The personal sector has been reducing its stake in the stock market for many years. During 1977 it was selling when share prices were high—the FT 30 share index rose by 44 per cent between January and September.

The decline in private shareholdings has been matched by growth of the financial institutions, and the inflow into life

PERSONAL SECTOR		
Acquisition and sale of financial assets		
	Company securities	Life insurance companies and pension funds
£m.	£m.	£m.
1975	-1,253	-4,487
1976	-1,388	-5,713
1	-22	1,577
2	-166	1,381
3	-304	1,384
4	-496	1,371
1977 1	-544	1,774
2	-547	1,624
3	-848	1,761

Not seasonally adjusted. Source: Central Statistical Office

assurance companies and pension funds continued to grow rapidly last year.

The personal sector savings with these institutions rose by £1.6bn. in the first nine months of last year—an increase of 18.8 per cent, compared with the same period of 1976. The total inflows then were £5.7bn.

The personal sector also

increased its deposits with building societies sharply—up to £3.68bn. in the first nine months of the year compared with a rise of £3.5bn. in the whole of 1976.

These trends are shown by figures for the financial accounts of the economy's different sectors. They indicate the undistributed income available for acquiring financial assets after deducting all outgoings, including capital investment.

The broad pattern is that the personal sector remains in substantial surplus—£3.6bn. seasonally adjusted, in the six months to the end of September compared with £3.9bn. in the previous half-year.

Meanwhile, the deficit of industrial and commercial companies has fallen sharply—down from £1.1bn. to £0.4bn.—as has the deficit of the public sector—down from £3.3bn. to £2.5bn.

The improvement in the current account of the balance of payments has been reflected in change from a financial surplus of £0.9bn. (exactly matching the current account deficit) to a small financial deficit.

British Leyland sees no need to recall European cars

BY TERRY DODSWORTH, MOTOR INDUSTRY CORRESPONDENT

BRITISH LEYLAND'S mass recall of 182,000 of its cars in the U.S., announced on Thursday, is unlikely to be followed by similar action in Britain or other countries.

In a short statement yesterday, the company said that it was reviewing the situation in the knowledge that several of the necessary changes had already been carried out during normal servicing.

But a more potent argument against a recall is that the particularly dangerous defects in the American cars, relating to possible fuel hose leaks and fire hazards in some Spitfire and Marina models, does not apply to the U.K. versions of these cars.

This is because the defects are associated with changes made in the vehicles to conform with U.S. emission regulations. The alternative systems used in other

markets are not thought to present any dangers.

The U.S. action does, however, underline the different standards and regulatory powers which apply in the American market.

Although a good deal of corrective work has already been done on Leyland vehicles during normal servicing, the company has been prompted to go ahead with the recall after detailed negotiations with the National Highway Traffic Safety Administration.

In the U.K. and most European markets there is no such regulatory organisation, and recalls are prompted by the need to maintain goodwill and avoid litigation. But in the U.S. companies are under greater pressure because the Highway Traffic Safety Administration has the authority to force recall if it thinks this necessary.

In the last 12 months some

13m. vehicles have been recalled in the U.S.

Leyland acknowledges that three other defects mentioned in the U.S. case apply equally to its British models. These concern the windscreen washer pump in the Jaguar, the TR7 windscreen wiper motor, and headlight switches in the TR6, GT6 and Spitfire models made between 1970 and 1976.

The company says these have not been regarded as critical safety items in the U.K. but that a great deal of corrective work has been done on them. Manufacturing methods have since been changed.

The U.S. case follows complaints to the traffic safety authority from a pressure group called Centre for Auto Safety. This group has recently been critical of imported cars, and has influenced the recall of a number of non-American makes.

Rise in tin prices rejected

BY JOHN EDWARDS, COMMODITIES EDITOR

A BID by producing countries to raise tin price ranges under the International Tin Agreement has been firmly rejected by the major consuming countries, it was confirmed yesterday.

At the International Tin Council meeting in London this week proposals for a substantial rise in the tin agreement's "floor" and "ceiling" prices were defeated by lack of support.

However, it was agreed to consider the proposals again at the next meeting of the Tin Council—which represents Malaysia, Bolivia, Thailand, Indonesia, Australia, Zaire and Nigeria—in April.

Producers called a special Press conference after the meeting of the Tin Council meeting last night to protest at what they

called the shortsighted attitude of consumers. But there was no sign of any move to break away from the consumer-producer tin agreement to form a producers' cartel, as had been feared.

The present world price of tin, at about 1,600 Malaysian ringgits per picul (133.3 lb) and \$5,200 a tonne on the London Metal Exchange, is well above the tin agreement's price range of 1,200 ringgits "floor" and 1,500 ringgits "ceiling."

The producers argued that a rise of 200 ringgits in the "floor" and "ceiling" was needed to attract new investment in expanding tin production, which is often dependent on the "floor" price guaranteed by the agreement.

They warned, therefore, that the present shortfall of tin pro-

duction in relation to demand would continue and possibly worsen.

Consumer countries—notably the big four—the U.S., Japan, West Germany and Britain—feel that production costs have not risen sufficiently to justify another rise in the agreement's price range.

Much now depends on what action is taken in the next few months by the U.S. over releasing surplus supplies of tin from its strategic stockpile to all the production deficit. The stockpile has about 200,000 tonnes of tin, equal to nearly a year's world consumption.

Without stockpile releases it is estimated that there will be a shortfall of 18,000 tonnes this year, much the same as the 1977 deficit of 18,000 tonnes.

Economic Diary

TO-DAY—Liberal Party Special Assembly. Open House. Blackpool. Lib-Lab debate and vote.

SUNDAY—National Savings monthly progress report (Dec.). MONDAY—House of Commons debates agriculture—expected statement on devaluation of "green pound." Prime Minister addresses "Age Concern" governing body. Shaw Theatre, Euston Road, N.W.1. EBC Agriculture Ministers begin two-day meeting.

TUESDAY—Unemployment figures (Jan. prov.). National Farmers Union annual meeting.

opens Central Hall, Westminster. Mrs. Margaret Thatcher, Opposition Leader, is main speaker at dinner, Hilton Hotel. Mr. David Steel, Liberal Party Leader, at Newspaper Conference Luncheon, Press Club, E.C.4. Mr. Jack Jones, general secretary TOWU, at National Export Year Conference, Birmingham.

WEDNESDAY—Mr. Constantine Karamandis, Greek Prime Minister, in London for talks with Prime Minister. Meeting of TUC General Council, Labour Party National Executive Committee.

THURSDAY—Sir John Mervin, director general, CBI, at Industrial Society Conference, Cafe Royal, W.1. Bricks and cement production (Dec.). Car and commercial vehicle production (Dec.—final). Energy Trends publication. Department of Employment Gazette published.

FRIDAY—Mr. Denis Healey, Chancellor of the Exchequer, on two-day visit to Scotland, addresses Newspaper Press Fund luncheon, Glasgow. Electricity supply engineering staff pay talks resume, Nibbank, S.W.1. Sales and orders in the engineering industry (Oct.). Meeting of British Builders Federation. Announcement by British National Oil Corporation.

SATURDAY—Prime Minister at Labour Party Local Government conference, Bristol.

Schlesinger Preference & Gilt Trust

Many private investors choose to place a proportion of their portfolio into fixed interest investments which have the benefit of providing a high predictable income, and are likely to have less risk and be less volatile than equities. The Schlesinger Preference & Gilt Trust provides a well-spread and efficiently managed vehicle for this purpose.

High income—low volatility

By investing only in preference shares and British Government Securities (Gilts), the managers are able to obtain higher levels of income than could be expected from a managed portfolio of equities. Whilst equities would provide greater opportunities for growth than fixed interest stocks, the latter are likely to be less volatile. The proportion in preference shares and Gilts will be varied at the managers' discretion.

Schlesingers also expect a useful degree of capital appreciation from this trust, as long term interest rates continue to fall.

Investment in Gilts

Under current legislation, most interest received in an authorised unit trust from gilt-edged securities is subject to corporation tax which is disadvantageous to unitholders when compared with direct investment in such securities.

For this reason initially some 80% of the fund will be invested in preference shares, and 20% in Gilts at which level Schlesingers estimate any disadvantage will be minimal. Should the legislation be changed, the fund will be invested entirely in Gilts (see General Information).

Your investment should be regarded as long term. Remember that the price of units and the income from them may go down as well as up.

11% paid quarterly

In order to help investors plan their income, the distributions will be paid quarterly on the 30th of April, July, October and January, starting July 1978. The table shows the approximate level of income (net of 34% basic rate tax) you would expect to receive every three months, based on the estimated gross yield of 11% on the current offer price of 25.7p.

Initial investment	Annual gross income	Your net cheque every 3 months
£5000	£550	£490
£2500	£275	£245
£1000	£110	£118
£500	£55	£59

The distribution dates have been carefully selected to complement those of the all-equity Schlesinger Extra Income Trust. By investing equally between these two funds, shareholders can obtain eight evenly-spaced and approximately equal distributions per annum.

Schlesingers' PIMS service

Investors of £2,500 or more will receive the Schlesinger Personal Investment Management Service (PIMS) which includes regular investment reports and invitations to meet the investment managers.

General Information

In the event of a change in taxation which would remove the beneficial treatment of gilt income, it is intended that the whole of the portfolio will be re-invested in high yielding British Government Securities. It is intended that the assets of the Trust will be managed by a team of experienced investment managers. A written statement of the investment policy and the assets of the Trust will be sent to all unitholders. The Trust will be managed by a team of experienced investment managers. A written statement of the investment policy and the assets of the Trust will be sent to all unitholders. The Trust will be managed by a team of experienced investment managers. A written statement of the investment policy and the assets of the Trust will be sent to all unitholders.

Schlesinger Preference & Gilt Trust

To: Schlesinger Trust Managers Ltd., 140 South Street, Dorking, Surrey. Tel: 0306 86441

I wish to invest (minimum £200) £ in the Schlesinger Preference & Gilt Trust.

I wish to have my dividends re-invested ☐

I would like further information, including details of Share Exchange scheme ☐

A cheque is enclosed in remittance, made payable to Midland Bank Limited.

I declare that I am not resident outside the Scheduled Territories and that I am not acquiring the units as a nominee of any person resident outside the Territories. If I am unable to make this declaration, it should be deleted and this application form should then be lodged through your U.K. bank, stockbroker or solicitor. Minor cannot be registered, but accounts designated with their initials will be accepted.

Signature _____ (In full)
Address _____
Date _____

(On the case of a joint application all must sign.) FT 21/1

UNIT TRUSTS

England for the proceeds of the Argentine Government capital bills paid this month to be treated as investment currency. Anglo-Argentine, Tramways is able to make a special interest payment.

It will be 1½ per cent. of the principal moneys outstanding on the first debenture stock at the date of the scheme of arrangement approved on December 5, 1967, and be made on March 1 to holders on record at February 1.

Downturn for Assocd. Sprayers

AFTER SHOWING little change at halfway, pre-tax profits of Associated Sprayers declined in the second six months to finish the year to August 31, 1977 almost halved from £282,021 to £139,102, although turnover was better at £6.06m. against £5.83m.

When reporting first-half profits of £72,000 (£66,000), the directors warned that the company was suffering in the second period from the depressed level of consumer spending and consequently the full year surplus might not be up to the previous year's level.

Full-year profit was subject to tax of £74,330 (£125,580), giving stated earnings down from 3.76p to 1.78p per 10p share. Again no dividend is to be paid—the last payment was a 1.47p net final in respect of 1973-74.

43% profit increase

for Hallite

GOOD TRADING has been achieved by Hallite Holdings, makers of synthetic rubber and plastic precision seals. In the 38 weeks ended November 12, 1977, with sales up 48 per cent to £3.64m. and profits ahead 43 per cent at £480,599.

Orders have continued at a satisfactory rate and the outstanding value at the end of the period should ensure that the full year's results exceed those of 1976-77, when sales were £5m, and profits £735,000, says the chair-

Re tells shareholders that the longer established companies achieved higher sales and profits. Although the recent investment in subsidiary and associate companies is not yet making a contribution to profits they are all

The investments in companies in Canada and West Germany have been completed only recently and therefore very little of the results is included in the figures.

After tax £254,591 (£178,397), net profit came out at £235,005 (£164,875). The interim dividend is lifted from 1.926p to 2.15p net per 50p share, absorbing £49,400 (£43,846). The final for 1976-77 was 3.909p.

● comment

ent. This follows the previous year's recovery when pre-tax profits rose 74 per cent after falling to a five year low in 1975-76. The group appears to be well on course for another record year and it still has to reap the benefits of its investments in

STURLA—91%
George Sturla's rights issue of

George Starna's rights issue of one-for-one at par (10p) to raise 424.087 has been taken up as to 1.26 per cent.

For Fitch Lovell, the recent closure of 38 small David Greig stores (42,000 square feet of selling space) will have a negative

space, will have come too late to have an effect on first-half profits, due to be announced on Thursday. Analysts are expecting around \$4m. (£3.4m.). In the retailing division (a quarter of profits) Key Markets appears to have held its market share by increasing its sales area but along

With others in the High Street, gross margins will have been trimmed by price cutting initiated by Tesco. Profits in the poultry division must have been affected by lower broiler prices and overcapacity in the industry. At this stage the full-year profits could be

Other results to note are
 terinus from Amalgamated
 distilled Products (Tuesday),
 ulness Peat Group (Thursday),
 and Denbyware (Thursday).

Announcement due	Dividend (p)*		This year Int.
	Last year Int.	Final	
Thursday	0.55	1.173	
Friday	0.55	1.0	
Sunday	3.25	6.8	
Thursday	2.113	3.387	
Wednesday	0.25	0.383	
Thursday	1.164	2.118	
Thursday	0.5	2.5	

Thursday	0.3	0.3
Thursday	3.3	6.452
Wednesday	0.5	1.12
Friday	1.0	1.195
Thursday	4.55	5.45
Thursday	1.0	2.83
Thursday	1.0	1.75
Thursday	1.2	2.4
Wednesday	0.43	1.094(d)
Wednesday	1.65	3.778



Plunging in: a swim against the tide

In investment terms there is a lot to be said for leaning against the tide. And many of the fund managers ought to know about that, it is M & G's choice. Recovery Fund—which invests in the shares of companies which are out of favour in the expectation that their value will recover—has been among the best performers for

The fund managers are inviting long-term savers to apply their investments and their money to the funds of the Recovery Fund this week. The life insurance linked sales which they are promoting—for investors to get a little as \$10 a month—offer a little—has the virtues of tax relief on the premiums, and the benefits of a good cost averaging to recommend it.

The expertise of M and G's and managers in this area is well-established by now. But there is a potential problem in their success, that the bigger the fund is, the less it is likely to outstrip the market. After last year's 116 per cent improvement in the capital value of the one could fall a steep 10 per cent or more. But those who follow a gamble might prefer to go instead for the same group's American and General

and, units in which are also on offer this week.

But to get the consensus opinion at the moment seems to be that share prices are cheap if they are likely to get cheaper. It is, therefore, a matter of waiting for the bottom.

It is the argument that recession, when it comes, is likely to be sudden and strong, and that sitting in (no early is likely to be) better than getting out. Those who disagree with them are likely to go through either a

the former is \$200 million, the latter is \$300 million. Each will accept a bid of \$300. In such cases, the person who is placed between interest stocks—for immediate income—and equities, for income growth.

In the case of both the Arbutnot and the Lawson funds, the decision on the split between income now and more income later is made by the managers. Not so with Target's Income Plus. Here, investors in which can decide for themselves whether to yield

sum-insurance (minimum \$100) or the life insurance linked to savings schemes (minimum \$50), as well as the Recovery Fund, which provides cover against theft.

Both of these funds are strictly for emergencies, so too is Comaplanet's growth Fund, principal product of Comaplanet Fund Managers, which has been set up by Joseph Sanders revealed a 75 per cent stake earlier this week. Comaplanet's other two funds have negligible prospects of income growth (Target Income Fund, which is yielding 8.9 per cent, and Target Growth Fund, which is yielding 6.5 per cent). The minimum investment is \$4000 and again, there are monthly instalment plans. Share exchange schemes available.

management has a lot of money to invest. The new investment policy, new investment manager, and new money—much of it coming in by way of Joseph Sanders—seem to be reasons the fund was a somewhat dismal capital performance.

Following the example of the venerable policy fund is all but exclusively invested in the U.K. It is making a big play for funds in companies whose dividends are covered at least four

Last, but far from least, is the highest-yielder of them all: Schlesinger's Preference and Growth Trust, which provides a return of 11 per cent per annum. The yield on this fund will rise as the value of its holdings rises. The explanation, particularly if the Chancellor helps the plan now being made for a removal of the tax anomaly applying to funds investing in gilts, and thereby enables Schlesinger to build up

Pensions plans

The need for the self-employed to make their own pension provision is emphasized by two companies this week—Property Growth and Vanbrugh. The self-employed get very little from the state scheme, even in its new form, so they have to make their own arrangements. A contract funds. Since no two members of the self-employed have the same circumstances, flexibility is essential.

Property Growth offers similar features with its Personal Pension Plan "100". One hundred per cent of the contributions are invested

Legal and General is drawing the attention of directors and shareholders to the advantages it offers to themselves and to the company of its new Executive Investment Retirement Plan. This provides a tax-free lump sum upon retirement, of up to 25% of the salary, depending on length of service, plus a pension based on earned income. The company

flexibility in regard to the structure of benefits, payment and investment of the contributions. There is a choice of property, liability, fixed interest and managed

Trafalgar confirms sales: more in hand

London office sales helped Trafalgar House's shares rise 2p to 25p yesterday.

Mr. Victor Matthews, the group's managing executive, confirmed that the company has sold two of its heavy construction divisions for £40m, and that other City property sales are under negotiation.

It is understood that the two divisions sold and a further division, on which terms of sale have not yet been agreed, will bring the group's net assets to £100m.

Recorded separately in those of the directors' report, the group's profit of the company was £1.2m, doubled from £52,034 to £119,283 for the half year to February 28, 1977, and the directors say that this improvement is likely to be maintained in the second half.

Net sales commissions and management fees for the company increased from £22,519 to £25,000 with earnings per share better at 2.68p (1.17p). The directors point out that these results are reflected

spokesman for the
ice's pension fund also
announced yesterday that the
fund considered the purchase
of Trafalgar's City develop-
ment. But purchase talks have
not yet begun.

Lynton Hldgs.
slight rise
to \$556,000

...marginal rise in taxable earnings from \$322,345 to \$556,470 attained by Lynton Holdings the six months to September 1977. Rents received were 4% higher at £1.05m, and income from completed properties and interest received was higher at £394,702.

total £0.46m.

	1977	1978
as received	1,064,687	944,873
and interest	839,737	840,000
to a associate	39,763	91,430
total profit	586,478	523,243
to a partner	367,100	377,129
profit on disposals	50,894	55,404

paid-up capital	105,540	
paid-up surplus	105,540	102,548
capital reserve	470,018	125,948
total	581,108	231,256

Income from property and other sources received, 1937: \$100,000 from property and other sources.

The prospects for the current year will be affected by the general state of the furniture industry and the directors are confident that, given reasonable trading conditions, prospects for the group are good and they look forward to steady growth over the next few years.

In addition to the expanding existing business the directors also

Italian Properties have been adding to the group's activities.

50

Take-over bids and mergers

Mildly off on Union Message

BY OUR WALL STREET CORRESPONDENT

MILDLY LOWER levels developed on Wall Street to-day, following President Carter's State of the Union Message and his economic report to Congress.

However, it was difficult to assess the full impact of the Administration's latest proposals as trading volume was extremely thin, as a result of a snowstorm that paralysed the New York Metropolitan Area and delayed opening on the New York and American Stock Exchanges by two hours.

After dipping almost 4 points, the Dow Jones Industrial Average finished 1.75 off at 778.54, making a net loss of 1.21 on the week. The NYSE All Common Index, at 240.73, shed 9 cents on the day but was up 16 cents on the week, while losses led gains by 616 to 526. Trading volume dropped 3.6m. shares to 21.5m.

FRIDAY'S ACTIVE STOCKS

Stock	Change
Boeing	24.50
Am. Broad.	12.50
Am. Tel. & Tel.	11.50
Marshall Field	7.50
Chrysler	7.50
General Electric	5.50
Procter & Gamble	4.50
IBM	3.50
Verizon	2.50

OTHER MARKETS

Canada mixed

Canadian Stock Markets were irregular in moderate trading yesterday, with the Toronto Composite Index holding unchanged at 1010.5.

Indices

NEW YORK—DOW JONES

	Jan. 20	Jan. 19	Jan. 18	Jan. 17	Jan. 16	Jan. 15	1977-78	High	Low	High	Low
Industrial	778.54	778.54	778.54	778.54	778.54	778.54	778.54	778.54	778.54	778.54	778.54
Transport	210.85	210.85	210.85	210.85	210.85	210.85	210.85	210.85	210.85	210.85	210.85
Utilities	102.77	102.77	102.77	102.77	102.77	102.77	102.77	102.77	102.77	102.77	102.77
Trading vol	21.5	21.5	21.5	21.5	21.5	21.5	21.5	21.5	21.5	21.5	21.5

* Data of index changed from August 24.

Ind. div. yield %	Jan. 15	Jan. 16	Jan. 17	Jan. 18	Jan. 19	Jan. 20	Year ago (approx.)
	5.83	5.80	5.83	5.83	5.83	5.83	4.81

STANDARD AND POORS

	Jan. 20	Jan. 19	Jan. 18	Jan. 17	Jan. 16	Jan. 15	1977-78	High	Low	High	Low
Industrial	240.73	240.73	240.73	240.73	240.73	240.73	240.73	240.73	240.73	240.73	240.73
Transport	68.85	68.85	68.85	68.85	68.85	68.85	68.85	68.85	68.85	68.85	68.85
Utilities	68.85	68.85	68.85	68.85	68.85	68.85	68.85	68.85	68.85	68.85	68.85
Ind. div. yield %	5.13	5.18	5.18	5.18	5.18	5.18	5.18	5.18	5.18	5.18	5.18
Ind. P/E Ratio	8.74	8.65	8.65	8.65	8.65	8.65	8.65	8.65	8.65	8.65	8.65
Long Govt. Bond yield	8.17	8.19	8.04	8.04	8.04	8.04	8.04	8.04	8.04	8.04	8.04

F.T. CROSSWORD PUZZLE No. 3,573

A prize of £5 will be given to each of the senders of the first three correct solutions. Solutions must be received by next Thursday, marked Crossword in the top left-hand corner of the envelope, and addressed to the Financial Times, 10, Cannon Street, London, EC4A 3DF. Winners and solution will be given next Saturday.

Name _____
Address _____

1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28
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Financial Times Saturday January 21 1978

LOCAL AUTHORITY BOND TABLE					
Authority (telephonic number in parentheses)	Annual gross interest	Interest payable	Minimum sum	Life of bond	
	%		\$	Year	
Poole (08013 51571)	9 1/2	1-year	500	4	
Poole (02013 51511)	9 1/2	1-year	500	5-7	
Redbridge (01-478 3090)	10	1-year	200	5-7	
Thurrock (0875 5122)	9 1/2	1-year	300	4	
Thurrock (0875 5122)	10	1-year	300	5-7	

BUILDING SOCIETY RATES

	Deposit.	Share	Sub'pn		
	Rate	Accont.	Shares	Term Shares	
'Abbey National	8.75%	6.00%	7.25%	7.00%	3 yrs., 6.50% 2 yrs., min. £500
Alliance	9.75%	6.00%	7.25%	7.00%	3 yrs., 6.50% 2 yrs., 6.25% 1 yr.
Anglia	8.25%	5.50%	6.75%	6.50%	3 yrs., 6.00% 2 yrs., 5.75% 1 yr.
Birmingham Incorporated.....	8.75%	8.00%	7.25%	6.50%	2 yrs., 6.25% 1 yr.
Bradford and Bingley	8.75%	6.00%	7.25%	7.00%	3 yrs., 6.50% 2 yrs., min. £500
Bristol and West	8.75%	6.00%	7.25%	—	—
Bristol Economic	8.75%	6.00%	7.25%	8.25%	3 months' notice
Britannia	8.75%	6.00%	7.25%	3 yrs., 6.50% 2 yrs., min. £1,000	
Bury	8.75%	6.00%	7.25%	7.80%	—
Cathart	8.50%	8.25%	7.25%	—	4 6.45% over £5,000
Chelsea	8.75%	6.00%	7.25%	6.75%	6 months' notice, minimum £500
Cheltenham and Gloucester	8.75%	6.00%	7.25%	7.00%	3 yrs., 6.50% 2 yrs., £500-£15,000
Citizens Regency	8.75%	6.30%	7.00%	7.55%	3 yrs. over £5,000
City of London	10.25%	7.50%	7.45%	7.75%	3 yrs. increment share, min. £500
Coventry Economic	8.75%	8.00%	7.25%	7.00%	3 yrs. Cap. Shares 6.50%
Derbyshire	8.75%	6.00%	7.25%	6.50%	3 months' notice, minimum £500
Gateway	8.75%	6.00%	7.25%	7.00%	3 yrs., 6.50% 2 yrs. min. £500-£15,000
Greenwich	8.75%	6.10%	7.50%	7.10%	2 yrs., fixed 1% over Share Accis.
Guardian	8.75%	6.25%	8.00%	6.85%	3 mths' notice, minimum £1,000
Hallifax	8.75%	6.00%	7.25%	7.00%	3 yrs., 6.50% 2 yrs.
Hastings and Thanet	8.75%	6.00%	7.25%	3 yrs., 6.50% 1½ yrs., £250-£15,000	
Heart of England	8.75%	6.00%	7.25%	7.00%	3 yrs., 6.50% 2 yrs., min. £500
Hearts of Oak & Budget	8.75%	6.25%	7.75%	7.25%	3 yrs., 7.00% 2 yrs., 6.75% 1 yr.
London	6.00%	6.50%	—	7.00%	6 months' notice, minimum £2,000
Rutherfordfield & Bradford	8.75%	6.00%	7.25%	7.00%	3 yrs., 6.50% 2 yrs., £100-£15,000
Lewinington Spa	8.50%	6.10%	8.04%	6.85%	2 years
Leeds Permanent	8.75%	6.00%	7.25%	—	—
Leicester	8.75%	6.00%	7.25%	7.00%	3 yrs., 6.50% 2 yrs., £100-£15,000
Liverpool	8.75%	6.00%	7.45%	7.10%	3 yrs., 6.60% 2 yrs., min. £100
London Goldhawk	8.75%	6.25%	7.50%	7.25%	3 yrs., 6.75% 1 yr.
Marnet & Planet	8.75%	6.00%	7.25%	7.00%	3 yrs., 6.50% 2 yrs., 6.50% 6mths. not.
Milton Mowbray	8.85%	6.10%	7.25%	6.85%	2 years
Midshire	8.75%	6.00%	7.25%	7.00%	3 yrs., 6.50% 2 yrs., min. £250
Norlington	8.70%	6.75%	—	—	—
National Counties	6.00%	6.50%	7.80%	—	—
Nationwide	8.75%	6.00%	7.25%	7.00%	3-4 yrs., min. £500; 6.50% 2 yrs.
Newcastle Permanent	8.75%	6.00%	6.50%	7.30%	3 yrs., 7.00% 2 yrs.
New Cross	6.50%	6.75%	—	—	—
Northern Rock	8.75%	6.00%	7.25%	7.60%	3 yrs., 6.30% 2 yrs., min. £100
Norwich	8.75%	6.00%	7.50%	7.00%	2 yrs., minimum £500
Paisley	8.75%	6.00%	6.50%	7.80%	3 yrs., 6.30% 2 yrs., min. £500
Pecham Mutual	6.00%	6.50%	—	—	—
Portsmouth	8.75%	6.00%	7.25%	7.00%	3 yrs., 6.50% 2 yrs., 6.25% 3 mths.
Prudential	8.50%	6.50%	7.25%	7.25%	3 yrs., 7% 2 yrs., 6.75% 3 mths. not.
Property Owners	8.75%	6.50%	7.75%	6.80%	3 mths. not less than 6.00% to limit cos.
Provincial	8.75%	6.00%	7.25%	7.00%	3 yrs., 6.50% 2 yrs.
Skippon	8.75%	6.00%	7.25%	7.00%	3 yrs., 6.50% 2 yrs.
Sussex Mutual	6.05%	6.35%	6.35%	6.70%	3 months' notice, min. £500
Town and Country	8.25%	6.00%	+10.00%	7.00%	3 yrs., £1,000-£15,000, & Max. £250
Woodwich	8.25%	6.00%	7.25%	7.00%	3 yrs., 6.50% 2 yrs.

Diamond (B)
2048 2nd St. N.W.
Wash. D.C. 20001
(202) 717-1111

OIL (188)
British-Soviet Petroleum Syndicate
1500 2nd St. N.W.
Wash. D.C. 20001
(202) 717-1111

PROPERTY (190)
Alliance Trust Bldg., 222 E. 42d St.
New York 17
(212) 512-1111

* Rates normally variable in line with changes in ordinary share rates. † Moneymaker Shares.
‡ Maximum individual account £2,500.

MONEY + EXCHANGES

Decline in bill rate

Bank of England Minimum Lending Rate 6 1/2 per cent. (since January 6, 1978)

The Treasury Bill rate fell by 0.041 per cent. to 5.7747 per cent. at yesterday's tender, and Bank of England Minimum Lending Rate was unchanged at 6 1/2 per cent. The minimum accepted bid was \$98.35 1/2 for \$400m. bills, compared with \$98.54 1/2 for \$300m. bills last week, and bids at that level were also made at 10 1/2 per cent. The \$400m. bills offered and allotted attracted bids of \$1,379.26m., and all bills tendered were allotted. Next week \$200m. will be offered, replacing maturities of \$300m.

Day-to-day credit was in short supply and the authorities gave a large amount of assistance by offering to discount Treasury bills from the discount houses, and by lending a moderate amount over the week-end to five or six houses, at Minimum Lending Rate.

There was a modest forward surplus balance, but this was outweighed by a net take-up of Treasury bills, a sizeable amount of revenue payments to the Exchequer over Government disbursements, and a rise in the note circulation.

Money was fairly difficult to find throughout, opening at 6 1/2 per cent. and closing at 5 1/2 per cent. The amount of help given by the authorities was not enough to take out the full shortage, and some houses probably took advantage of standby facilities to buy Treasury bills. Interbank overnight rates rose to 10-12 per cent. at the close.

Jan. 30 1976	Sterling Certificates of deposits	Interbank	Local Authority deposits	Local Auth negotiable bills	Finance Group Deposits	Company Deposits	Discount markets deposits	Treasury Bills Φ	Highly Liquid Bills Φ	Fin. Trade Bills Φ
Overnight	—	8-12	—	6 1/4-6 1/4	—	8 1/4	6-8 1/2	—	—	—
2 days notice	—	—	—	—	—	—	—	—	—	—
3 days notice	—	—	—	—	—	—	—	—	—	—
One month	6 1/4-6 1/4	6 1/4-6 1/4	—	—	6 1/4-6 1/4	6 1/4	6 1/4-6 1/4	6 1/4	6 1/4-6 1/4	6 1/4
Three months	6 1/4-6 1/4	6 1/4-6 1/4	—	—	6 1/4-6 1/4	6 1/4	6 1/4-6 1/4	6 1/4	6 1/4-6 1/4	6 1/4
Six months	6 1/4-6 1/4	6 1/4-6 1/4	—	—	6 1/4-6 1/4	6 1/4	6 1/4-6 1/4	6 1/4	6 1/4-6 1/4	6 1/4
Nine months	6 1/4-6 1/4	6 1/4-6 1/4	—	—	6 1/4-6 1/4	6 1/4	6 1/4-6 1/4	6 1/4	6 1/4-6 1/4	6 1/4
One year	6 1/4-6 1/4	6 1/4-6 1/4	—	—	6 1/4-6 1/4	6 1/4	6 1/4-6 1/4	6 1/4	6 1/4-6 1/4	6 1/4

Local authorities and finance houses seven days' notice, others seven days' fixed. * Longer-term local authority mortgage

Approximate selling rate for one-month Treasury bills 4 1/8% per cent; two-month Treasury bills 4 1/4% per cent; three-month Treasury bills 4 1/4% per cent; four-month Treasury bills 4 1/4% per cent; five-month Treasury bills 4 1/4% per cent; six-month Treasury bills 4 1/4% per cent; seven-month Treasury bills 4 1/4% per cent; eight-month Treasury bills 4 1/4% per cent; nine-month Treasury bills 4 1/4% per cent; one-year Treasury bills 4 1/4% per cent. **Bank Deposit Rates:** for small sums at seven days' notice) 3 per cent. **Clearing Bank Rates:** for lendings 4 1/2 per cent. **Treasury Bills:** Average tender rates of discount 3.77 per cent.

EXCHANGES AND BULLION FOREIGN EXCHANGES

RATES AND ROLLS		FOREIGN EXCHANGE	
The U.S. dollar lost ground in currency trading on the foreign exchange market yesterday, following an initial reaction of disappointment to President Carter's State of the Union speech. The dollar fell to Sw.Fr.1.9325 against the Swiss franc, its lowest level, probably with the help of		Currency Agreement, as calculated by the U.S. Treasury. New York, widened to 4.51 per cent. from 4.45 per cent. Several New York brokers reported to closed however, and the snow storm which has virtually disabled the city. This contributed to the dollar's loss. The London market. Sterling touched a high	
Jan. 8	Market Rates	Jan. 9	Market Rates

support by the Swiss National Bank. The market was nervous and this, together with declining	point of \$1.9400-1.9415, and closed at \$1.9320-1.9330, a fall of 10 points on the day. The pounds	Madrid.....	2	155.00-155.20	155.00-155.00
		Milan.....	11 1/2	1,084.1,092	1,086.1,094
		Telav.....		1.064	1.064

The dollar's trade-weighted index against a basket of currencies, as calculated by the Bank of England, was down 0.15 percent at 100.04 at 6:01 a.m. and 65.3 in early trading.

Gold fell \$1 to \$1721.1731 in quiet trading. The kruggerand's premium over its gold content weighed to 3.83 per cent, from 3.94 percent for the dollar.

Swiss franc convertible franc

	100 Swiss franc	100 convertible franc
Financial Times	62.52-53	71

Other markets

	100 Swiss franc	100 convertible franc
Turk	94.8131-17	1.04-1.05
Sw 4-boim	94.812-94.844	0.943-0.918
Sw 4-boim	482.70	0.943-0.918
Sw 4-boim	94.26-26.33	1.08-0.48
Sw 4-boim	94.26-26.33	1.08-0.48
Sw 4-boim	94.26-26.33	1.08-0.48

depreciation since the Washington International delivery.		Notes Rates
Argentina, 1200-87-1200	Argentina, 1950-1200	

[illegible]

U.S. \$ in Toronto U.S. \$ = 11.40-44 Canadian cents.	Switz franc	800-850
Canadian \$ in New York = 90.48-50 cents.	U.S. \$ in Milan	872.00-90
British in Milan 1982.88-1984.75	GBL.....	1.39-1.56
	U.S. cents.	80.50-80.85
	Yugoslavia	572-592

EURO-CURRENCY INTEREST RATES*							FORWARD RATES		
Rate given for Argentina is a free rate.									
Jan. 30	March	Overland Dollar	U.S. Dollar	Dutch Guilder	Swiss Franc	W. German Mark			
		Starting					One month	Three months	
7 days notice	5-5	5-7	57-71	41-42	par-12	5-5 1/2	New York	0.10-0.20	
14 days notice	5-5	5-7	71-74	42-43	par-12	5-5 1/2	Montreal	0.10-0.20	
30 days notice	5-5	5-7	71-74	42-43	par-12	5-5 1/2	Amsterdam	1-1/2 p.p.m.	
Three months	5-7	5-7 1/2	71-74	42-43	1 1/2-1 1/4	5-5 1/2	Buenos Aires	0.15-0.25	
Six months	6-1 1/2	7-1 1/2	71-74	42-43	2 1/2-2 1/4	5-5 1/2	London	0.15-0.25	
One year	7-1 1/2	7-1 1/2	71-74	42-43	5-5 1/2	5-5 1/2	Copenhagen	1-1 1/2 reus	

one-month 124-125 per cent.; three-month 124-125 per cent.; six-month 131 ₁₆ -135 ₁₆	London.....	55-165 c. dis	410-510 c. dis
	Wolff.....	55-165 c. dis	

Statistics provided by data STREAM International										
Sim (\$m)	Current price	Turns ^a	Con- version dates	Flat yield	Red. yield	Premium†		Income		Cheap(+) / Dear(-)◇
						Current	Range‡	Equ§	Conv.¶	
9.05	142.00	100.0	75-80	8.4	4.4					
1.40	104.00	200.0	76-79	9.1	8.8	- 6.3	- 10 to - 2	14.0	8.7	- 4.8 + 1.6
8.22	148.00	47.6	77-79	8.8	4.4	- 5.2	- 7 to - 2	14.8	13.9	- 0.5 + 4.7
7.71	143.00	333.3	80-87	8.6	8.2	14.4	14 to 39	0.0	94.0	73.2 + 60.8
8.53	0.23	1.0	78-83	7.8	8.3	2.2	- 7 to 27	38.3	61.0	16.4 + 14.2
8.84	97.00	334.0	76-79	8.6	8.9	- 4.7	- 11 to - 0	11.5	6.1	- 5.3 - 0.6
15.81	97.00	100.0	76-84	12.7	12.7	40.7	40 to 66	31.4	52.1	31.7 - 17.0
122.80	121.00	120.2	73-78	8.5	7.8	- 6.4	- 12 to - 2	4.7	0.0	- 3.6 + 2.7
4.51	83.00	57.1	76-80	8.0	8.8	8.4	- 9 to 8	10.8	11.7	1.3 - 7.2
0.07	220.00	470.4	75-79	3.2	0.1	- 6.5	- 13 to - 5	14.5	6.4	- 3.5 + 3.0
1.08	133.00	186.7	76-82	11.3	9.2	3.6	2 to 10	47.4	47.2	- 0.1 + 3.8
5.50	170.00	125.0	78-87	5.9	1.9	9.7	4 to 18	87.4	55.2	11.5 + 1.8
7.23	91.00	193.9	74-79	9.0	11.6	28.6	17 to 30	12.0	11.0	- 1.4 - 23.9
11.10	104.00	40.0	78-83	8.7	9.2	25.8	22 to 43	28.4	40.0	14.0 - 11.5

100 nominal of convertible stock is convertible. 1 The extra cost of investment is convertible expressed as per cent of the 111.10 nominal rate. 2 The extra cost of investment is convertible expressed as per cent of the 111.10 nominal rate. 3 The extra cost of investment is convertible expressed as per cent of the 111.10 nominal rate. 4 The extra cost of investment is convertible expressed as per cent of the 111.10 nominal rate. 5 The extra cost of investment is convertible expressed as per cent of the 111.10 nominal rate. 6 The extra cost of investment is convertible expressed as per cent of the 111.10 nominal rate. 7 The extra cost of investment is convertible expressed as per cent of the 111.10 nominal rate. 8 The extra cost of investment is convertible expressed as per cent of the 111.10 nominal rate. 9 The extra cost of investment is convertible expressed as per cent of the 111.10 nominal rate. 10 The extra cost of investment is convertible expressed as per cent of the 111.10 nominal rate.

Leading equities quietly firm but gilts turn hesitant

Platinums move ahead

ness yesterday. Continuing bullishness over the future of the currency, the demand for and producer prices of the metal prompted heavy local buying and was followed by persistent interest from the Cape — a recent heavy seller of Platinum.

- Rustenburg climbed 4 more to 83p, after 54p, for a week's gain of 12p, while Bloemfontein advanced 5 to a 1977-78 high of 79p bringing the rise in the week to 13p. Lydenburg put on 3 at 79p.

- Business in Golda, however, was minimal and prices presented a mixed appearance. The marginal 25 cents decline in the national price to 812.50, from 815 ounces — a week's gain of 50 cents — was offset by the modest increase in the investment premium and resulted in the Gold Mines index firming 1.25 to 87.10, an 8.71 increase on the week.

Features among Golds yesterday included Platinum, 13 higher at 187p

of 143p and Kleinandrand, 3 higher at a high of 214p. Wit, Nt and although unaltered yesterday, 43p, remained 13 firmer on week.

A good two-way business developed in London-based Financials. Persistent investment demand helped Renta, close to 12p, and a three-day rise in 12p. Gold Fields, the subject of recent take-over speculation and hopes of a possible gold mining operation in Saudi Arabia, closed unchanged on the day at 21p but 10 firmer on the week.

Oakridge provided the main movement in an otherwise inactivity in the section; the Australian section; the 10p rise on 17th followed by bid rumors, wrote off at 13p.

Elsewhere, Consolidated Manganese advanced 13 more to 240p, a three-day jump to 255p, while the "freeports" buoyed the December quarterly loss published on Wednesday.

[illegible]

	Yesterday			On the week		
	Up	Down	Same	Up	Down	Same
British Pounds	16	5	35	15	10	10
Common, Dominion and Foreign Bonds	14	9	65	37	41	4
Industrial	281	147	870	2,342	1,361	414
Government and Corp.	281	147	870	2,342	1,361	414
Oil	4	4	18	25	29	29
Plantations	22	20	12	50	15	15
Minerals	48	20	55	264	136	136
Recent Issues	12	6	34	4	29	29
Totals	626	288	1,272	3,820	2,167	604

The following accounting worked in the
Share Information Service yesterday
attained New Highs and Lows for 1977-78.

NEW HIGHS (167)

COMWEALTH & AFRICAN LOANS (1)
COANS (1)
FOREIGN BONDS (1)
BANKS (4)
SEERS (2)
BUILDING (18)
CHEMICALS (3)
CHINAGAS (4)
DRAPEY & STORES (15)
BULLOCKS (5)
ENGINEERING (17)
FEDERAL (5)

NEW LOWS (1)

MOTELS (5)
INDUSTRIALS (35)
MOTORS (13)
NEWSPAPERS (3)
PAINTS (1)
PROPERTY (17)
SHIPPING (15)
SINKS (1)
SOLAR (1)
TENTS (5)
RHYTHM (1)
TEAS (4)
MINES (3)

TRUSTS (1)

Jaroline Luman

CONCLUSIONS

A.B.N. Bank	61%	Hill Samuel	61%
Allied Irish Banks Ltd.	61%	Co. Hoare & Co.	61%
American Express Bk.	61%	Julian & Lodge	61%
Amro Bank	61%	Hongkong & Shanghai	61%
A P Bank Ltd.	61%	Industrial Bk. of Scot.	7%
Henry Anschuetz	61%	Keyser Ullmann	61%
Banco de Bilbao	61%	Knowsley & Co. Ltd.	9%
Bank of Credit & Comce.	61%	Lloyds Bank	61%
Bank of Cyprus	61%	London & European	34%
Bank of N.S.W.	61%	London Mercantile	7%
Bank of Singapore	91%	London & Lancashire	7%
Bank of the Republic	7%	Samuel Montagu	61%
Barclays Bank	61%	Morgan Grenfell	61%
Barnett Christie Ltd.	84%	National Westminster	61%
Brennar Holdings Ltd.	71%	Norwich General Trust	61%
Brit. Bank of Mid. East	61%	P. S. Refson & Co.	61%
Brown Shipley	64%	Rosminster Accepts	61%
Canada Permanent AFI	61%	Royal Bk Canada Trust	61%
Capitol & C. Fin. Ltd.	61%	Trustee's Limited	5%
Cayzer Ltd.	7%	E. S. Schwab	84%
Cedar Holdings	8%	Security Trust Co. Ltd.	71%
Charterhouse Japhet.	61%	Shenley Trust	94%
C. E. Coates	71%	Standard Chartered	61%
Consolidated Credits.	74%	Trade Dev. Bank	61%
Co-operative Bank	61%	Trustee Savings Bank	61%
Corinthian Securities	61%	Twentieth Century Bk.	74%
Credit Agric. Ind. Fr.	91%	United Bank of West	61%
The Cyprus Popular Bk.	61%	Whiteaway Layland	7%
Duncan Lawrie	61%	Williams & Glyn's	64%
Eaglt Trust	54%	Yorkshire Bank	61%
English Transcont.	8%	Members of the Accepting Houses	
First London Sec.	61%	1-day deposits	3-1 month deposits
First Nat. Sec. Corp.	61%	3-1 day	1-12 months
First Nat. Secs. Ltd.	8%	7-12	Deposits on sums of £10,000 and under 1/4 up to £250,000 3/4 and over £250,000 1/2
Anthony Gibbs	61%	1/2	£12, £10,000 3/4
Goode Durrant Trust	74%	1/4	Demand deposits 4-1/2
Gresham Guaranty.	61%	1/2	See also entries to Sterling Ind
Grindlays Bank	61%	1/4	7-12 day deposits 3-12 months
Grindlays & Co.	61%	1/2	Rates for Term
Hambros Bank	61%	1/4	Deposits over £100,000 Depositors

RIGHT ISSUE

Lot Price p.	Amount Paid	1971/2		Stock	Units p.	p. + v	Net T. or Amount	Time Year	p. + v
		Lot Price	Share						
104	F.P. —	470	doll	REGO, 20.50	430	—	72	—	5.9
105	F.P. 20.1	125	108	Farmco (S.W.)	125	+	47.9	4.2	9.3 7.1
	F.P. 27.1	594	65	1.M.1.	60	+	—	2.6	6.4

Name	Price	Apt. or Apt. no.	Latent depos.	1977/8		Stock	Growth 1976/8	acc
				Hub	Low			
2100	—	—	—	100%	100%	Agrie. Mort. Variable 1983	100%	—
2100	F.P.	5/18	100%	98	112%	100%	108%	—
2100	F.P.	27/11	—	99	Centra & cheerwood 10% Un. Lm. 19...	—	60	—
2100	W.D.	5/18	61%	57%	Granular Res. 100%	—	81	—
2110	F.P.	—	—	91%	Homestead Variable 100%	—	81	—
2100	F.P.	—	89%	85%	Inco 4% Notes 1984	—	89%	—
2100	F.P.	—	—	90%	De. Wg. 100%	—	99%	—
2100	F.P.	—	—	90%	Centra & cheerwood 10% Un. Lm. 19...	—	14%	—
2110	F.P.	46/8	—	100%	97%	De. Wg. 100%	—	—
2130	—	—	—	100	99%	Leads Variable 100%	100	—
2130	—	—	—	100	100%	Leads or Variable 100%	100	—
2130	F.P.	5/18	101%	100	Mo. Kent Water 2 1/2%	—	101%	—
2130	F.P.	4/8	101%	100	99%	Leads Variable 100%	101%	—
2130	F.P.	4/8	102%	98	4. Homeas 11% Res. 1980	—	102%	—
2130	F.P.	—	—	99	Shal Int. Fl. N.V. 4 1/2% Guar. 1980	—	105%	—
2130	F.P.	37/11	104%	—	Sea Furniture 10% Int. Prod.	—	104%	—
2200	—	—	—	100%	100%	Unmelted Variable 100%	100%	—
2200	F.P.	10/8	105%	100	De. 10 1/2% Res. 74-5	—	105%	—
2200	F.P.	6/11	107%	—	De. 10 1/2% Res. 10% 1983	—	106	—

[illegible]

These indices are the joint compilation of the Financial Times, the Institute of Actuaries and the Faculty of Actuaries

EQUITY									
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GROUPS		Fril, Jan. 20, 1978										Highs and Lows Index			
and SUB-SECTIONS		Index No.	Days %	Est. Total (Mkt. Val.)	Grain Yield (ACT % 500)	Est. Yield (Kilo) (Kilo)	Index No.	Index No.	Index No.	Index No.	Index No.	1977-78		Since Completion	
Figures in parentheses show number of stocks per section.												High	Low	High	Low
1	CAPITAL GOODS (17)	212.82	+0.7	16.64	5.46	8.49	211.26	207.09	225.53	207.53	227.06	228.03 (14/77)	135.13 (6/77)	228.03 (14/77)	80.71 (13/72)
2	Building Materials (22)	194.07	+1.0	15.82	5.45	9.03	192.08	189.29	188.34	189.82	127.36	214.72 (14/77)	131.21 (5/77)	224.84 (25/78)	44.27 (11/72)
3	Chemicals (14)	342.70	+1.9	9.72	8.60	33.29	331.17	330.74	334.53	337.17	379.79	379.79 (14/77)	361.39 (4/77)	389.33 (19/72)	71.48 (2/72)
4	Electricals (15)	460.45	+1.6	14.83	16.81	25.55	464.61	460.00	465.00	465.00	483.49 (14/77)	483.49 (14/77)	382.22 (10/77)	481.71 (25/78)	84.71 (25/78)
5	Engineering Contractors (23)	331.36	+0.6	14.77	6.72	8.03	329.48	299.44	299.44	299.44	299.44	332.22 (13/77)	166.95 (4/77)	332.22 (13/77)	46.93 (6/72)
6	Mechanical Engineering (7)	167.24	+0.5	17.46	6.15	8.17	166.38	162.38	162.00	165.37	123.04	187.45 (14/77)	125.42 (10/77)	187.45 (14/77)	45.63 (6/72)
7	Metals and Metal Forming (17)	164.41	+0.1	19.16	6.31	6.90	164.79	163.15	163.15	165.39	137.00	177.02 (14/77)	133.25 (4/77)	177.02 (14/77)	46.95 (6/72)
8	CONSUMER GOODS	195.16	+1.1	17.21	6.46	192.98	191.22	188.06	189.25	139.39	233.75 (12/77)	117.21 (12/77)	227.74 (21/77)	227.74 (21/77)	38.39 (6/72)
9	Electronics (14)	223.00	+1.1	15.20	3.53	9.29	229.23	229.23	229.23	229.23	229.23	229.23 (12/77)	229.23 (12/77)	229.23 (12/77)	42.95 (13/72)
10	Household Goods (12)	179.91	+0.4	17.42	6.56	7.85	178.28	178.28	178.28	180.57	137.57	199.07 (12/77)	122.57 (4/77)	199.07 (12/77)	45.92 (13/72)
11	Motors and Distributors (28)	133.65	+0.3	20.38	6.27	7.35	131.20	116.67	116.67	116.67	116.67	130.95 (15/77)	127.21 (12/77)	170.59 (15/78)	61.91 (13/72)
12	CONSUMER GOODS	201.77	+0.7	15.51	5.65	9.45	200.28	196.62	195.51	197.30	144.74	213.85 (12/77)	136.79 (12/77)	226.06 (14/72)	69.41 (13/72)
13	NON-DURABLES (17)	224.00	+0.9	16.49	5.56	10.52	221.28	196.62	195.51	197.30	144.74	213.85 (12/77)	136.79 (12/77)	226.06 (14/72)	69.41 (13/72)
14	Wines and Spirits (8)	248.67	+0.1	16.39	1.56	9.55	248.31	248.31	248.31	248.31	248.31	248.31 (12/77)	248.31 (12/77)	248.31 (12/77)	49.77 (13/72)
15	Entertainment, Catering (16)	264.87	+0.7	13.66	6.49	11.25	263.11	258.76	258.76	258.76	277.82	278.02 (14/77)	155.19 (12/77)	280.47 (19/72)	78.88 (13/72)
16	Food Manufacturing (22)	194.51	+0.4	20.49	5.46	7.05	193.76	192.60	192.60	192.60	162.63	214.63 (12/77)	159.84 (4/77)	214.63 (12/77)	54.83 (4/72)
17	Food Retailing (16)	203.90	+1.2	13.29	4.43	10.92	201.52	196.02	196.02	196.02	162.63	244.41 (12/77)	133.15 (12/77)	244.41 (12/77)	54.25 (11/72)
18	Newspapers, Publishing (13)	340.39	+0.5	9.59	3.67	15.64	338.93	329.80	329.80	333.17	212.25	360.82 (16/78)	201.08 (12/77)	360.82 (16/78)	55.08 (6/72

Br. Govt. Av. Gross Red.										Jan. 20		Jan. 19		ago (approx.)		1927-28			
										High		Low							
										High		Low							
British Government										1		2		3		4		5	
Under 5 years										109.42		-0.86		-0.13		-0.13		-0.13	
5-15 years										123.58		-0.11		-0.96		-0.96		-0.96	
Over 15 years										132.39		-0.29		-0.57		-0.57		-0.57	
Irredeemables										147.01		-0.29		-0.89		-0.89		-0.89	
All stocks										121.95		-0.89		-0.45		-0.45		-0.45	

Pri. Jan. 20										Thurs. Jan. 20		Wed. Jan. 19		Tues. Jan. 18		Mon. Jan. 17		Fri. Jan. 16		Thurs. Jan. 15		Wed. Jan. 14		Tues. Jan. 13		Mon. Jan. 12		Sun. Jan. 11		Sat. Jan. 10		Fri. Jan. 9		Thurs. Jan. 8		Wed. Jan. 7		Tues. Jan. 6		Mon. Jan. 5		Sun. Jan. 4		Sat. Jan. 3		Fri. Jan. 2		Thurs. Jan. 1		Wed. Jan. 31		Tues. Jan. 30		Mon. Jan. 29		Sun. Jan. 28		Sat. Jan. 27		Fri. Jan. 26		Thurs. Jan. 25		Wed. Jan. 24		Tues. Jan. 23		Mon. Jan. 22		Sun. Jan. 21		Sat. Jan. 20		Fri. Jan. 19		Thurs. Jan. 18		Wed. Jan. 17		Tues. Jan. 16		Mon. Jan. 15		Sun. Jan. 14		Sat. Jan. 13		Fri. Jan. 12		Thurs. Jan. 11		Wed. Jan. 10		Tues. Jan. 9		Mon. Jan. 8		Sun. Jan. 7		Sat. Jan. 6		Fri. Jan. 5		Thurs. Jan. 4		Wed. Jan. 3		Tues. Jan. 2		Mon. Jan. 1		Sun. Dec. 31		Sat. Dec. 30		Fri. Dec. 29		Thurs. Dec. 28		Wed. Dec. 27		Tues. Dec. 26		Mon. Dec. 25		Sun. Dec. 24		Sat. Dec. 23		Fri. Dec. 22		Thurs. Dec. 21		Wed. Dec. 20		Tues. Dec. 19		Mon. Dec. 18		Sun. Dec. 17		Sat. Dec. 16		Fri. Dec. 15		Thurs. Dec. 14		Wed. Dec. 13		Tues. Dec. 12		Mon. Dec. 11		Sun. Dec. 10		Sat. Dec. 9		Fri. Dec. 8		Thurs. Dec. 7		Wed. Dec. 6		Tues. Dec. 5		Mon. Dec. 4		Sun. Dec. 3		Sat. Dec. 2		Fri. Dec. 1		Thurs. Nov. 30		Wed. Nov. 29		Tues. Nov. 28		Mon. Nov. 27		Sun. Nov. 26		Sat. Nov. 25		Fri. Nov. 24		Thurs. Nov. 23		Wed. Nov. 22		Tues. Nov. 21		Mon. Nov. 20		Sun. Nov. 19		Sat. Nov. 18		Fri. Nov. 17		Thurs. Nov. 16		Wed. Nov. 15		Tues. Nov. 14		Mon. Nov. 13		Sun. Nov. 12		Sat. Nov. 11		Fri. Nov. 10		Thurs. Nov. 9		Wed. Nov. 8		Tues. Nov. 7		Mon. Nov. 6		Sun. Nov. 5		Sat. Nov. 4		Fri. Nov. 3		Thurs. Nov. 2		Wed. Nov. 1		Tues. Oct. 31		Mon. Oct. 30		Sun. Oct. 29		Sat. Oct. 28		Fri. Oct. 27		Thurs. Oct. 26		Wed. Oct. 25		Tues. Oct. 24		Mon. Oct. 23		Sun. Oct. 22		Sat. Oct. 21		Fri. Oct. 20		Thurs. Oct. 19		Wed. Oct. 18		Tues. Oct. 17		Mon. Oct. 16		Sun. Oct. 15		Sat. Oct. 14		Fri. Oct. 13		Thurs. Oct. 12		Wed. Oct. 11		Tues. Oct. 10		Mon. Oct. 9		Sun. Oct. 8		Sat. Oct. 7		Fri. Oct. 6		Thurs. Oct. 5		Wed. Oct. 4		Tues. Oct. 3		Mon. Oct. 2		Sun. Oct. 1		Sat. Sep. 30		Fri. Sep. 29		Thurs. Sep. 28		Wed. Sep. 27		Tues. Sep. 26		Mon. Sep. 25		Sun. Sep. 24		Sat. Sep. 23		Fri. Sep. 22		Thurs. Sep. 21		Wed. Sep. 20		Tues. Sep. 19		Mon. Sep. 18		Sun. Sep. 17		Sat. Sep. 16		Fri. Sep. 15		Thurs. Sep. 14		Wed. Sep. 13		Tues. Sep. 12		Mon. Sep. 11		Sun. Sep. 10		Sat. Sep. 9		Fri. Sep. 8		Thurs. Sep. 7		Wed. Sep. 6		Tues. Sep. 5		Mon. Sep. 4		Sun. Sep. 3		Sat. Sep. 2		Fri. Sep. 1		Thurs. Aug. 31		Wed. Aug. 30		Tues. Aug. 29		Mon. Aug. 28		Sun. Aug. 27		Sat. Aug. 26		Fri. Aug. 25		Thurs. Aug. 24		Wed. Aug. 23		Tues. Aug. 22		Mon. Aug. 21		Sun. Aug. 20		Sat. Aug. 19		Fri. Aug. 18		Thurs. Aug. 17		Wed. Aug. 16		Tues. Aug. 15		Mon. Aug. 14		Sun. Aug. 13		Sat. Aug. 12		Fri. Aug. 11		Thurs. Aug. 10		Wed. Aug. 9		Tues. Aug. 8		Mon. Aug. 7		Sun. Aug. 6		Sat. Aug. 5		Fri. Aug. 4		Thurs. Aug. 3		Wed. Aug. 2		Tues. Aug. 1		Mon. Jul. 31		Sun. Jul. 30		Sat. Jul. 29		Fri. Jul. 28	
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OFFSHORE AND OVERSEAS FUNDS

[illegible][illegible]

RELIANCE SCHOOL OF INVESTMENT (CG)
FREEPOST, London W11 3BB

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...and the fact that the *Journal* is a peer-reviewed journal, the *Journal* is a peer-reviewed journal.

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12-1-78

FINANCE, LAND - Continued										a fully integrated banking service									
										DAIWA BANK									
										Head Office: Osaka, Japan									
										MINES - Continued									
										CENTRAL AFRICA									
1977-78	High	Low	Stock	Price	+/-	%	Div	Yld	TM	1977-78	High	Low	Stock	Price	+/-	%	Div	Yld	TM
128	34	30	Lon. Mineral	89	-1	-1	11.25	4.8	1.29	195	79	75	Falcon Rock	185	+5	+2	Q30	12.5	1.29
129	34	30	W. & G. Mines	100	0	0	3.45	4.8	1.29	196	79	75	Ramp Corp. 10p	135	+1	+1	Q30	12.5	1.29
130	34	30	Magellan	100	0	0	3.45	4.8	1.29	197	79	75	Reynolds 10p	135	+1	+1	Q30	12.5	1.29
131	34	30	W. & G. Mines	100	0	0	3.45	4.8	1.29	198	79	75	Reynolds 10p	135	+1	+1	Q30	12.5	1.29
132	34	30	W. & G. Mines	100	0	0	3.45	4.8	1.29	199	79	75	Reynolds 10p	135	+1	+1	Q30	12.5	1.29
133	34	30	W. & G. Mines	100	0	0	3.45	4.8	1.29	200	79	75	Reynolds 10p	135	+1	+1	Q30	12.5	1.29
134	34	30	W. & G. Mines	100	0	0	3.45	4.8	1.29	201	79	75	Reynolds 10p	135	+1	+1	Q30	12.5	1.29
135	34	30	W. & G. Mines	100	0	0	3.45	4.8	1.29	202	79	75	Reynolds 10p	135	+1	+1	Q30	12.5	1.29
136	34	30	W. & G. Mines	100	0	0	3.45	4.8	1.29	203	79	75	Reynolds 10p	135	+1	+1	Q30	12.5	1.29
137	34	30	W. & G. Mines	100	0	0	3.45	4.8	1.29	204	79	75	Reynolds 10p	135	+1	+1	Q30	12.5	1.29
138	34	30	W. & G. Mines	100	0	0	3.45	4.8	1.29	205	79	75	Reynolds 10p	135	+1	+1	Q30	12.5	1.29
139	34	30	W. & G. Mines	100	0	0	3.45	4.8	1.29	206	79	75	Reynolds 10p	135	+1	+1	Q30	12.5	1.29
140	34	30	W. & G. Mines	100	0	0	3.45	4.8	1.29	207	79	75	Reynolds 10p	135	+1	+1	Q30	12.5	1.29
141	34	30	W. & G. Mines	100	0	0	3.45	4.8	1.29	208	79	75	Reynolds 10p	135	+1	+1	Q30	12.5	1.29
142	34	30	W. & G. Mines	100	0	0	3.45	4.8	1.29	209	79	75	Reynolds 10p	135	+1	+1	Q30	12.5	1.29
143	34	30	W. & G. Mines	100	0	0	3.45	4.8	1.29	210	79	75	Reynolds 10p	135	+1	+1	Q30	12.5	1.29
144	34	30	W. & G. Mines	100	0	0	3.45	4.8	1.29	211	79	75	Reynolds 10p	135	+1	+1	Q30	12.5	1.29
145	34	30	W. & G. Mines	100	0	0	3.45	4.8	1.29	212	79	75	Reynolds 10p	135	+1	+1	Q30	12.5	1

FINANCE

OPTIONS

3-month Call Rates

322	370	Ang. Am. Coal Sh.	480	+2.0	10.00c	4.3	5.2	3
323	371	Anglo Am. Ind.	480	+2.0	10.00c	4.3	5.2	3
324	372	Anglo Am. Ind.	480	+2.0	10.00c	4.3	5.2	3
325	373	Ang. Am. Ind.	480	+2.0	10.00c	4.3	5.2	3
326	374	Ang. Am. Ind.	480	+2.0	10.00c	4.3	5.2	3
327	375	Ang. Am. Ind.	480	+2.0	10.00c	4.3	5.2	3
328	376	Ang. Am. Ind.	480	+2.0	10.00c	4.3	5.2	3
329	377	Ang. Am. Ind.	480	+2.0	10.00c	4.3	5.2	3
330	378	Ang. Am. Ind.	480	+2.0	10.00c	4.3	5.2	3
331	379	Ang. Am. Ind.	480	+2.0	10.00c	4.3	5.2	3
332	380	Ang. Am. Ind.	480	+2.0	10.00c	4.3	5.2	3
333	381	Ang. Am. Ind.	480	+2.0	10.00c	4.3	5.2	3
334	382	Ang. Am. Ind.	480	+2.0	10.00c	4.3	5.2	3
335	383	Ang. Am. Ind.	480	+2.0	10.00c	4.3	5.2	3
336	384	Ang. Am. Ind.	480	+2.0	10.00c	4.3	5.2	3
337	385	Ang. Am. Ind.	480	+2.0	10.00c	4.3	5.2	3
338	386	Ang. Am. Ind.	480	+2.0	10.00c	4.3	5.2	3
339	387	Ang. Am. Ind.	480	+2.0	10.00c	4.3	5.2	3
340	388	Ang. Am. Ind.	480	+2.0	10.00c	4.3	5.2	3
341	389	Ang. Am. Ind.	480	+2.0	10.00c	4.3	5.2	3
342	390	Ang. Am. Ind.	480	+2.0	10.00c	4.3	5.2	3
343	391	Ang. Am. Ind.	480	+2.0	10.00c	4.3	5.2	3
344	392	Ang. Am. Ind.	480	+2.0	10.00c	4.3	5.2	3
345	393	Ang. Am. Ind.	480	+2.0	10.00c	4.3	5.2	3
346	394	Ang. Am. Ind.	480	+2.0	10.00c	4.3	5.2	3
347	395	Ang. Am. Ind.	480	+2.0	10.00c	4.3	5.2	3
348	396	Ang. Am. Ind.	480	+2.0	10.00c	4.3	5.2	3
349	397	Ang. Am. Ind.	480	+2.0	10.00c	4.3	5.2	3
350	398	Ang. Am. Ind.	480	+2.0	10.00c	4.3	5.2	3
351	399	Ang. Am. Ind.	480	+2.0	10.00c	4.3	5.2	3
352	400	Ang. Am. Ind.	480	+2.0	10.00c	4.3	5.2	3
353	401	Ang. Am. Ind.	480	+2.0	10.00c	4.3	5.2	3
354	402	Ang. Am. Ind.	480	+2.0	10.00c	4.3	5.2	3
355	403	Ang. Am. Ind.	480	+2.0	10.00c	4.3	5.2	3
356	404	Ang. Am. Ind.	480	+2.0	10.00c	4.3	5.2	3
357	405	Ang. Am. Ind.	480	+2.0	10.00c	4.3	5.2	3
358	406	Ang. Am. Ind.	480	+2.0	10.00c	4.3	5.2	3
359	407	Ang. Am. Ind.	480	+2.0	10.00c	4.3	5.2	3
360	408	Ang. Am. Ind.	480	+2.0	10.00c	4.3	5.2	3
361	409	Ang. Am. Ind.	480	+2.0	10.00c	4.3	5.2	3
362	410	Ang. Am. Ind.	480	+2.0	10.00c	4.3	5.2	3
363	411	Ang. Am. Ind.	480	+2.0	10.00c	4.3	5.2	3
364	412	Ang. Am. Ind.	480	+2.0	10.00c	4.3	5.2	3
365	413	Ang. Am. Ind.	480	+2.0	10.00c	4.3	5.2	3
366	414	Ang. Am. Ind.	480	+2.0	10.00c	4.3	5.2	3
367	415	Ang. Am. Ind.	480	+2.0	10.00c	4.3	5.2	3
368	416	Ang. Am. Ind.	480	+2.0	10.00c	4.3	5.2	3
369	417	Ang. Am. Ind.	480	+2.0	10.00c	4.3	5.2	3
370	418	Ang. Am. Ind.	480	+2.0	10.00c	4.3	5.2	3
371	419	Ang. Am. Ind.	480	+2.0	10.00c	4.3	5.2	3
372	420	Ang. Am. Ind.	480	+2.0	10.00c	4.3	5.2	3
373	421	Ang. Am. Ind.	480	+2.0	10.00c	4.3	5.2	3
374	422	Ang. Am. Ind.	480	+2.0	10.00c	4.3	5.2	3
375	423	Ang. Am. Ind.	480	+2.0	10.00c	4.3	5.2	3
376	424	Ang. Am. Ind.	480	+2.0	10.00c	4.3	5.2	3
377	425	Ang. Am. Ind.	480	+2.0	10.00c	4.3	5.2	3
378	426	Ang. Am. Ind.	480	+2.0	10.00c	4.3	5.2	3
379	427	Ang. Am. Ind.	480	+2.0	10.00c	4.3	5.2	3
380	428	Ang. Am. Ind.	480	+2.0	10.00c	4.3	5.2	3
381	429	Ang. Am. Ind.	480	+2.0	10.00c	4.3	5.2	3
382	430	Ang. Am. Ind.	480	+2.0	10.00c	4.3	5.2	3
383	431	Ang. Am. Ind.	480	+2.0	10.00c	4.3	5.2	3
384	432	Ang. Am. Ind.	480	+2.0	10.00c	4.3	5.2	3
385	433	Ang. Am. Ind.	480	+2.0	10.00c	4.3	5.2	3
386	434	Ang. Am. Ind.	480	+2.0	10.00c	4.3	5.2	3
387	435	Ang. Am. Ind.	480	+2.0	10.00c	4.3	5.2	3
388	436	Ang. Am. Ind.	480	+2.0	10.00c	4.3	5.2	3
389	437	Ang. Am. Ind.	480	+2.0	10.00c	4.3	5.2	3
390	438	Ang. Am. Ind.	480	+2.0	10.00c	4.3	5.2	3
391	439	Ang. Am. Ind.	480	+2.0	10.00c	4.3	5.2	3
392	440	Ang. Am. Ind.	480	+2.0	10.00c	4.3	5.2	3
393	441	Ang. Am. Ind.	480	+2.0	10.00c	4.3	5.2	3
394	442	Ang. Am. Ind.	480	+2.0	10.00c	4.3	5.2	3
395	443	Ang. Am. Ind.	480	+2.0	10.00c	4.3	5.2	3
396	444	Ang. Am. Ind.	480	+2.0	10.00c	4.3	5.2	3
397	445	Ang. Am. Ind.	480	+2.0	10.00c	4.3	5.2	3
398	446	Ang. Am. Ind.	480	+2.0	10.00c	4.3	5.2	3
399	447	Ang. Am. Ind.	480	+2.0	10.00c	4.3	5.2	3
400	448	Ang. Am. Ind.	480	+2.0	10.00c	4.3	5.2	3
401	449	Ang. Am. Ind.	480	+2.0	10.00c	4.3	5.2	3
402	450	Ang. Am. Ind.	480	+2.0	10.00c	4.3	5.2	3
403	451	Ang. Am. Ind.	480	+2.0	10.00c	4.3	5.2	3
404	452	Ang. Am. Ind.	480	+2.0	10.00c	4.3	5.2	3
405	453	Ang. Am. Ind.	480	+2.0	10.00c	4.3	5.2	3
406	454	Ang. Am. Ind.	480	+2.0	10.00c	4.3	5.2	3
407	455	Ang. Am. Ind.	480	+2.0	10.00c	4.3	5.2	3
408	456	Ang. Am. Ind.	480	+2.0	10.00c	4.3	5.2	3
409	457	Ang. Am. Ind.	480	+2.0	10.00c	4.3	5.2	3
410	458	Ang. Am. Ind.	480	+2.0	10.00c	4.3	5.2	3
411	459	Ang. Am. Ind.	480	+2.0	10.00c	4.3	5.2	3
412	460	Ang. Am. Ind.	480	+2.0	10.00c	4.3	5.2	3
413	461	Ang. Am. Ind.	480	+2.0	10.00c	4.3	5.2	3
414	462	Ang. Am. Ind.	480	+2.0	10.00c	4.3	5.2	3
415	463	Ang. Am. Ind.	480	+2.0	10.00c	4.3	5.2	3
416	464	Ang. Am. Ind.	480	+2.0	10.00c	4.3	5.2	3
417	465	Ang. Am. Ind.	480	+2.0	10.00c	4.3	5.2	3
418	466	Ang. Am. Ind.	480	+2.0	10.00c	4.3	5.2	3
419	467	Ang. Am. Ind.	480	+2.0	10.00c	4.3	5.2	3
420	468	Ang. Am. Ind.	480	+2.0	10.00c	4.3	5.2	3
421	469	Ang. Am. Ind.	480	+2.0	10.00c	4.3	5.2	3
422	470	Ang. Am. Ind.	480	+2.0	10.00c	4.3	5.2	3
423	471	Ang. Am. Ind.	480	+2.0	10.00c	4.3	5.2	3
424	472	Ang. Am. Ind.	480	+2.0	10.00c	4.3	5.2	3
425	473	Ang. Am. Ind.	480	+2.0	10.00c	4.3	5.2	3
426	474	Ang. Am. Ind.	480	+2.0	10.00c	4.3	5.2	3
427	475	Ang. Am. Ind.	480	+2.0	10.00c	4.3	5.2	3
428	476	Ang. Am. Ind.	480	+2.0	10.00c	4.3	5.2	3
429	477	Ang. Am. Ind.	480	+2.0	10.00c	4.3	5.2	3
430	478	Ang. Am. Ind.	480	+2.0	10.00c	4.3	5.2	3
431	479	Ang. Am. Ind.	480	+2.0	10.00c	4.3	5.2	3
432	480	Ang. Am. Ind.	480	+2.0	10.00c	4.3	5.2	3
433	481	Ang. Am. Ind.	480	+2.0	10.00c	4.3	5.2	3
434	482	Ang. Am. Ind.	480	+2.0	10.00c	4.3	5.2	3
435	483	Ang. Am. Ind.	480	+2.0	10.00c	4.3	5.2	3
436	484	Ang. Am. Ind.	480	+2.0	10.00c	4.3	5.2	3
437	485	Ang. Am. Ind.	480	+2.0	10.00c	4.3	5.2	3
438	486	Ang. Am. Ind.	480	+2.0	10.00c	4.3	5.2	3
439	487	Ang. Am. Ind.	480	+2.0	10.00c	4.3	5.2	3
440	488	Ang. Am. Ind.	480	+2.0	10.00c	4.3	5.2	3
441	489	Ang. Am. Ind.	480	+2.0	10.00c	4.3	5.2	3
442	490	Ang. Am. Ind.	480	+2.0	10.00c	4.3	5.2	3
443	491	Ang. Am. Ind.	480	+2.0	10.00c	4.3	5.2	3
444	492	Ang. Am. Ind.	480	+2.0	10.00c	4.3	5.2	3
445	493	Ang. Am. Ind.	480	+2.0	10.00c	4.3	5.2	3
446	494	Ang. Am. Ind.	480	+2.0	10.00c	4.3	5.2	3
447	495	Ang. Am. Ind.	480	+2.0	10.00c	4.3	5.2	3
448	496	Ang. Am. Ind.	480	+2.0	10.00c	4.3	5.2	3
449	497	Ang. Am. Ind.	480	+2.0	10.00c	4.3	5.2	3
450	498	Ang. Am. Ind.	480	+2.0	10.00c	4.3	5.2	3
451	499	Ang. Am. Ind.	480	+2.0	10.00c	4.3	5.2	3
452	500	Ang. Am. Ind.	480	+2.0	10.00c	4.3	5.2	3
453	501	Ang. Am. Ind.	480	+2.0	10.00c	4.3	5.2	3
454	502	Ang. Am. Ind.	480	+2.0	10.00c	4.3	5.2	3
455	503	Ang. Am. Ind.	480	+2.0	10.00c	4.3	5.2	3
456	504	Ang. Am. Ind.	480	+2.0	10.00c	4.3	5.2	3
457	505	Ang. Am. Ind.	480	+2.0	10.00c	4.3	5.2	3
458	506	Ang. Am. Ind.	480	+2.0	10.00c	4.3	5.2	3
459	507	Ang. Am. Ind.	480	+2.0	10.00c	4.3	5.2	3
460	508	Ang. Am. Ind.	480	+2.0	10.00c	4.3	5.2	3
461	509	Ang. Am. Ind.	480	+2.0	10.00c	4.3	5.2	3
462	510	Ang. Am. Ind.	480	+2.0	10.00c	4.3	5.2	3
463	511	Ang. Am. Ind.	480	+2.0	10.00c	4.3	5.2	3
464	512	Ang. Am. Ind.	480	+2.0	10.00c	4.3	5.2	3
465	513	Ang. Am. Ind.	480	+2.0	10.00c	4.3	5.2	3
466	514	Ang. Am. Ind.	480	+2.0	10.00c	4.3	5.2	3
467	515	Ang. Am. Ind.	480	+2.0	10.00c	4.3	5.2	3
468	516	Ang. Am. Ind.	480	+2.0	10.00c	4.3	5.2	3
469	517	Ang. Am. Ind.	480	+2.0	10.00c	4.3	5.2	3
470	518	Ang. Am. Ind.	480	+2.0	10.00c	4.3	5.2	3
471	519	Ang. Am. Ind.	480	+2.0	10.00c	4.3	5.2	3
472	520	Ang. Am. Ind.	480	+2.0	10.00c	4.3	5.2	3
473	521	Ang. Am. Ind.						

MAN OF THE WEEK

Bringing steel to heel

BY RUPERT CORNWELL

MOMENTOUS EVENTS often take place in the most humdrum fashion, and so it was earlier this week when Miss Mary Frampton popped into the British Steel Corporation's headquarters in Grosvenor Place. Yet the communication she so swiftly and matter-of-factly delivered to Sir Charles Villiers, BSC's chairman, may well prove to be a constitutional milestone. As Clerk-in-Charge from the Commons she was the messenger of a Parliament seeking to reassert its ancient but almost forgotten powers as the supreme authority of the Realm.

It could be, as Sir Charles has said, that those famous papers on the Corporation's finances contain no earth-shaking secrets (although the photostat documents obligingly sent last week to national newspapers by "Hotcoill," BSC's answer to "Deep Throat," have whetted everyone's appetite). No matter, a Commons Select Committee has for once faced down one of its eminent witnesses and where the drama it has set in motion may end, no-one any longer can predict.



RUSSELL KERR, MP

Momentous events also have a knack of throwing up the most improbable heroes. And it is no disrespect to Russell Kerr to say that he is not the man one would have cast as symbol of the legislature's revolt. He indeed would be the first to admit that. The role moreover he has played as chairman of the Select Committee on Nationalised Industries, at the centre of the steel affair, has produced recrimination and discomfort enough to make him wish the hurricane had blown somewhere else.

At 58, and Labour MP for Feltham for almost 12 years, he had seemingly found his niche: elder statesman of the left-wing Tribune Group (and Director of the newspaper whence it drew its name) and a Tory heckler of redoubtable proportions. The technique consists of asides delivered seated from the Front Bench below the gangway in an unmistakable rumbling growl. Australian-born and educated, and a member of the RAF's Pathfinder Group during the war it is not surprising he has become a pillar of Westminster's sporting occasions. Cricket in particular, but golf as well. One prodigious hook of the first tee in a parliamentary meeting a few years ago prompted his partner, the then Speaker, Mr. Selwyn Lloyd to remark: "Keeping left as usual, Russ."

Loyalty
But, it is that entrenched loyalty to his cause which has given him such heartache in the ten days since the BSC row became front page news. The Select Committee, made up of Tory and Labour MPs (both left and right wing) alike has been unanimous in its demand, he insists. Fellow Tribunes have accused him of abetting the Conservatives to put the Government on the spot, and of taking a wickedly capitalist line in issuing a report which advocates cutbacks, closures and inevitably redundancies—in a sacrosanct nationalised industry.

Most upsetting of all, perhaps, has been public disagreement with his old Left-wing friend, Mr. Michael Foot, Leader of the House and another of Tribune's father figures. But on Select Committee the two part company. Mr. Foot has that rigid, almost religious, conviction that only the Chamber of the Commons matters, that the Committees "upstairs" are the devil incarnate, privilege and secrecy incarnate. Kerr, however, has doggedly supported his Committee's right to know: for all his love of jousting with the Conservatives, and in full knowledge that he was at odds with both friends and Government.

No circumstances could have better illustrated the over-riding simple virtue of Select Committees—the chance they afford for the often futile adversary politics of the floor of the House to be put aside, so that MPs can examine problems dispassionately.

U.S. and Arab links for Hill Samuel

BY MICHAEL BLANDEN

HILL SAMUEL, the London merchant bank, is planning to expand its international business after the establishment of new links with a leading Texan bank and a widely-based consortium which includes extensive Arab participation.

The move will give the Hill Samuel Group an immediate injection of \$9.3m. of new capital on top of its present shareholders' funds of about £70m. Sir Kenneth Keith, group chairman, said yesterday that he regarded the extra resources as rather less important than the opportunity which the development would give for the group to take a step forward in its international operations. Under the scheme, the Hill Samuel Group has agreed to issue new capital to Banque Arabe et Internationale d'Investissement and to First City Bancorporation, of Texas.

The Banque Arabe group is a Paris-based consortium merchant bank owned through a Luxembourg holding company by a wide range of institutional shareholders. Half the capital is held by leading Arab financial institutions and the other half owned by non-Arab banks from 14 different countries, including Barclays Bank in the U.K. and Bank of America.

Hill Samuel is to issue to Banque Arabe a total of 3.3m. ordinary shares at a price of 100p each, together with \$6m. of 7½ per cent. convertible unsecured loan stock 1983 at par. The loan stock will be convertible at 120p a share at any time from July 31, 1980.

First City Bancorporation is a multi-bank holding company, the second largest in Texas. Its main bank subsidiary is First City National Bank, of Houston, which is a leading specialist in the oil and energy industries, with branches in London and Nassau.

The Texas group is to subscribe for 2m. Ordinary shares of Hill Samuel at 100p a share. It will also be granted the right, at specified periods in each of the next three years, to subscribe for up to a further 1.3m. shares on terms to be agreed at the time.

The news yesterday raised Hill Samuel group shares to 97p compared with 94p on Thursday. The arrangement is subject to the normal official consents as well as the approval of shareholders of Hill Samuel. The group indicated yesterday, however, that it had talked to the Bank of England, which keeps a close eye on foreign shareholdings in the U.K. accepting houses—and did not expect any problems.

Sir Kenneth said that Hill Samuel has been trying for about 20 years to internationalise the group operations, including attempts to merge with other companies which could have provided a greater basis of resources, such as MEPC and Slater Walker.

The group was now going into partnership rather than trying to develop on its own. The proposed shareholdings were the outward sign of the relationship which would be built up, Texas said the Middle East, Sir Kenneth said, were two of the fastest growing areas of the world economy, generating both cash and business.

Sir Robert Clark, group chief executive, said Hill Samuel could offer services to its new shareholders in a wide range of the world such as Australia where they were not represented. It could also provide the expertise in international merchant banking required by the Arab countries.

Benefits were expected to accrue not only in merchant banking but also in other areas of the group's activities, such as insurance, ship broking and investment management.

After the deal, Banque Arabe will hold 5.3 per cent. of the world such as Australia where they were not represented. It could also provide the expertise in international merchant banking required by the Arab countries.

On what has now become the more realistic year basis, given the dollar's sharp depreciation, exports were 3.9 per cent. down on a year ago while imports fell 13.6 per cent.

Imports remain flat because Japanese industry is operating at far below normal capacity, and therefore does not require additional input of raw materials, which, with oil, make up more than 60 per cent. of Japan's imports.

Consumer demand is also flat, reflecting a lack of confidence by wage-earners in the economy's future and their own job security.

The dollar fell against the yen for the first time in a week on the Tokyo foreign exchange market to-day in apparent reaction to the trade figures.

The closing rate for the dollar was ¥241.90, down from Thursday's closing of ¥243.55.

The dollar was a relatively busy day in the stock market with \$258m. changing hands, compared with Thursday's \$182m. Last month's record trade surplus will be followed by a deficit in January, reflecting seasonal factors.

Leyland re-phases price increases
By Terry Dodsworth, Motor Industry Correspondent

A FIRM INDICATION that the U.K. motor industry will abandon its established pattern of quarterly price increases, this year in favour of two half-yearly rises emerged yesterday from Leyland Cars.

The State-owned company is to raise its prices by an average of 6.5 per cent. on Monday, taking the 850 Mini over the £2,000 mark including delivery charges. But it "envisaged" that the rise would be the first of only two price increases it would introduce this year.

The Prices Department indicated last week that it felt the big four manufacturers were taking advantage of the three-monthly allowable increase system.

In response, most of the producers decided not to apply for a rise last autumn, and since then material costs and the rate of inflation have moved in their favour.

Leyland's increase is by far the largest of the present round, which was initiated by Vauxhall in December with a 5.2 per cent. average rise. Ford's prices have gone up by 4.8 per cent. and Chrysler's by 4.5 per cent.

Leyland's decision to go for a higher increase seems to have been prompted by the determination of Mr. Michael Edwards, the new chairman, to maintain margins as much as possible rather than pursue a competitive pricing policy.

Examples of the new Leyland prices are: Mini 850 £1,990 (old price £1,893); Allegro 1500 Super four-door £2,531 (£2,489); Marina 1.3 DL four-door £2,707 (£2,564); Rover 2600 £3,992 (£3,830); Philip Rawstons writes: Mr. John Barber, former British Leyland chairman, says to-day that the corporation might have been saved from the "rather stupid" plan devised by Lord Ryder, former head of the National Enterprise Board, by a tougher investigation by the Commons Trade and Industry Committee.

The committee's inquiry could have asked "about more difficult questions" much more difficult questions "about the plan, he says in an interview recorded for the Independent Radio News programme, Decision Makers. Recall of Leyland cars, Page 19

Approval
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Record trade surplus for Japan

BY CHARLES SMITH

TOKYO, Jan. 20. JAPAN had a trade surplus of \$2.1bn. (£1.18bn.) last month on a customs clearance basis, record by a wide margin, the Finance Ministry reported to-day. The previous largest surplus, last July, was \$1.49bn. or \$700m. short of the December figure.

The customs clearance basis for calculating trade figures includes freight and insurance in the value of imports, and thus understates the real amount of surplus.

On an International Monetary Fund basis—with exports and imports both calculated f.o.b.—the December trade surplus may turn out to have been about \$3bn.

The surplus reflects a patchy export performance, with car exports down 1.6 per cent. but other major items such as steel and ships running well below the levels of a year before, coupled with extremely depressed imports.

On terms of U.S. dollars, exports were up 1.6 per cent. to \$83.7bn., while imports rose 6.9 per cent. to \$86.3bn.

Imports remain flat because Japanese industry is operating at far below normal capacity, and therefore does not require additional input of raw materials, which, with oil, make up more than 60 per cent. of Japan's imports.

Consumer demand is also flat, reflecting a lack of confidence by wage-earners in the economy's future and their own job security.

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The closing rate for the dollar was ¥241.90, down from Thursday's closing of ¥243.55.

The dollar was a relatively busy day in the stock market with \$258m. changing hands, compared with Thursday's \$182m. Last month's record trade surplus will be followed by a deficit in January, reflecting seasonal factors.

THE LEX COLUMN

Conversion hints from Grand Met.

Grand Metropolitan exceeded all expectations yesterday with pre-tax profits up 36 per cent. at £77.5m., compared with the 30 per cent. improvement most analysts had been going for. The figures pushed the shares up 1½p to 108½p and added weight to the arguments in favour of conversion of Grand Met's 10 per cent. unsecured loan stock. Those stockholders who wish to avoid a lower yield on their investment should sell out before the conversion period ends on March 13.

The results reflect good performance by all Grand Metropolitan's divisions with the exception of the managed public houses, where trading conditions were difficult, and wines and spirits, where currency effects took a heavy toll. Below the line, extraordinary items include a £7.2m. credit on sales of property and investments and charges of £5.6m. for the effects of currency translation, and £1.7m. in respect of post balance sheet losses on the closure of the Hawley's Bakeries business in Birmingham.

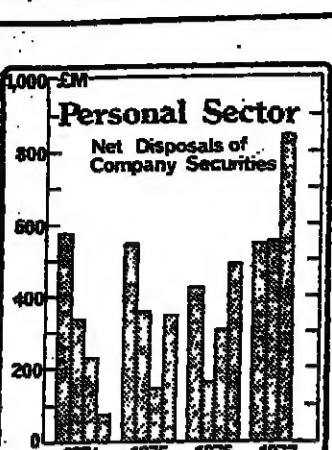
If Grand Met had not provided for deferred tax, basic earnings per share would probably increase from 12.2p to about 17½p, while the diluted EPS would be around 13, instead of 9.4.

Grand Met has improved its overall net margin from 3.8 per cent. to 4.7 per cent., aided by an unchanged interest charge. However, as in previous years the figures do not include any charge for depreciation on buildings. GM has chosen to ignore the international accounting standard, and will only follow the new U.K. depreciation standard, when it becomes binding, in its 1978 accounts. To facilitate this a full valuation of all properties is to be commissioned.

Borrowings have dropped from 152 per cent. of shareholders' funds at the end of last year to 129 per cent. at the balance sheet date and conversion of the loan stock should further reduce the gearing to around 75 per cent. of the equity. Without half the interest charge on the convertible, adding about £6m., 1978 profits may not be far off £100m. pre-tax.

Hill Samuel
Back in the 1960s, First National City Bank of New York held a stake of 8 per cent. in Hill Samuel and the two banks often worked closely together in developing their international business. In 1968,

Index rose 1.6 to 487.6



however, Citibank sold out and went on to establish itself as probably the most successful of all international banks while ten years later Hill Samuel is still trying to find the right international formula.

Over the years it has contemplated merging with groups such as MEPC and Slater Walker as well as going it alone. But in common with most of the Accepting Houses it is now realising that it is no bad thing to have an international partner. This is the background to yesterday's announcement that a medium-sized Texan bank and a small, but well-connected Arab consortium bank are taking a stake of 8.3 per cent. in the Hill Samuel Group.

On paper the move has its attractions. Texas is one of the wealthiest and fastest growing states in America and apart from recently taking a 10 per cent. stake in the National Bank of Ras al Khaimah (pop. 57,000), Hill Samuel has hardly made a mark in the all-important Middle East market. The group says that the primary purpose of these investments is "to secure a close working relationship between the three groups." But the fact that it also raised £9.3m. should not be overlooked given the group's lowly market capitalisation of under £80m.

Jungle drums
Major developments have taken place this week in the battle between the Harrisons and Crossfield plantations group as a group headed by Rothschild, the two sides crossed swords last year when Genting Highlands, advised by Rothschild, failed to stop the "three sisters" merger to form Harrisons Malaysian Estates, and again recently when McLeod Russell made an offer for the H and C associate Malaysian. Subsequently H and C made a higher counteroffer for Malakoff and then announced a takeover offer for Harrods Investment Trust, another associate which holds significant stakes in a number of the plantation companies within the tangled H and C empire.

Now there have been two further offensives by Rothschild, backing consortia which include McLeod Russell, Hume Holdings, and Sipef, a Belgian-based plantation operation. On Thursday one consortium announced a bid of 110p a share for London Sumatra, yet another H and C associate. And last night it emerged that Rothschild, on behalf of a slightly different consortium, is prepared to offer 80p a share cash in the market for up to 30 per cent. of Harrods, topping both H and C's revised 82p cash alternative, and its share exchange offer, worth 86p.

Plainly shareholders in the H and C group now have to think very carefully before taking action. They may wonder why the Harrods Board and its advisers Lazard are still recommending the H and C terms although there is a buyer for at least some of the shares at a higher price. And they may wonder whether, if London Sumatra is really worth 110p compared with 86p in the market at the end of last month, some of the other plantation shares in the Harrods portfolio also have hidden charms. Is also H and C trying to strengthen its control of all these companies on the cheap? Shareholders in the H and C camp are entitled to further explanations, even though they may also be suspicious of Rothschild's motives.

Sterling Eurobonds
The fledgling sterling Eurobond market has come back to life with the announcement of two new issues—£25m. for the European Investment Bank and £15m. for Rowntree Macintosh. However, after last month's debacle, when most of the issues went to deep discounts, the managers of the two new issues are treading cautiously. Although long-term rates have eased somewhat since the first batch, the coupon on the EIB issue is the same as that on the previous EIB issue but it is a shorter maturity.

Davy heads world bidders for big Venezuelan works

BY JOSEPH MANN

BRITISH COMPANIES will bid in the coming weeks for major Venezuelan projects in offshore oil exploration and steel, it was learned to-day.

Davy International will head a consortium which last year won a £200m-plus contract for a steelworks in Brazil, of British, German, French and Japanese partners in bidding for construction of the first stage of the Zulia steelworks in Western Venezuela.

The Zulia plant, originally to be wholly-owned by the Venezuelan Government, will now be a mixed capital venture with 51 per cent. of the equity held by the Venezuelan Government and 49 per cent. by private investors, most probably foreign.

The Venezuelans plan to build a steel mill near Lake Maracaibo capable eventually of producing 5m. tonnes of liquid steel a year. They are now asking for tenders on construction of the first stage of the project, a facility able to produce 1.1m. tonnes of liquid steel a year, and costing about £750m.

The group headed by Davy is to offer Venezuela financial, engineering, construction, equipment supply and manpower training services for the steel mill itself, and many associated projects.

Total costs of the Zulia complex (not expected to be completed until the early 1990s, if the Government decides to carry through) are estimated at about \$500m. Other groups will make offers on the Zulia project, but Davy is said to have assembled the largest and most complete consortium. KCA Drilling, a subsidiary of

CARACAS, Jan. 20.

KCA International (formerly Berry Wiggin), will bid during the next six to eight weeks for major offshore oil-drilling contracts offered by the Venezuelan Government.

News of the two British initiatives came at the end of a six-day visit by Dr. J. Dickson Mabon, Minister of State for Energy, and other U.K. representatives.

Dr. Mabon told reporters that his group had discussed Anglo-Venezuela co-operation in oil exploration and oil production, solar power, the Zulia steelworks, aluminium, bauxite and agriculture with Venezuelan officials. He said that companies such as KCA, Davy, Matthews Hall Engineering, GEC, BP and John Brown were engaged in talks with Venezuela.

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This is shown by a Commons written answer of estimates of Gross National Product at market prices. These are calculated on a common unit of measurement from rates of exchange which do not necessarily reflect the internal purchasing power of national currencies.

On this basis, the U.K. Gross National Product per head in 1976 was \$3,940, compared with \$5,090 in Switzerland and \$7,090 in the U.S.

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The committee's inquiry could have asked "about more difficult questions" much more difficult questions "about the plan, he says in an interview recorded for the Independent Radio News programme, Decision Makers. Recall of Leyland cars, Page 19

Eurosterling market reopens with two new issues

By Mary Campbell

THE EUROSTERLING bond market reopened last night with the announcement of two new issues, one worth £25m. for the European Investment Bank and the other worth £15m. for Rowntree Macintosh.

The Eurosterling bond market started last November but a deterioration in market conditions with the speed with which borrowers sought to tap the market in its embryonic stages, brought an abrupt halt to issuing activity.

All but one of the six issues, worth £120m., which were launched in November, have landed at heavy discounts from their offering prices until very recently.

In the last few weeks, the fall in sterling short term interest rates and the strength of the pound on the foreign exchange markets have led to a recovery in the prices of the outstanding Eurobond issues.

There has been speculation on several occasions recently that the market would reopen.

The terms of the two new issues have been set with an eye to the yields on the six outstanding issues.

Rowntree Macintosh is indicating that it will pay 10½ per cent.

The terms of the EIB offering have been fixed at a 9½ per cent. yield—the issue has been bought in advance by the managers. There will be no underwriting group but up to half of it will be available to the market at a discount of 1½ per cent. from the face value.

Schwartz is lead manager for the Rowntree offering and Warburgs for the EIB.

For Rowntree Macintosh, the issue will be its first foray into the international capital markets. It proposes to use the proceeds mainly to repay short and medium term foreign currency debt.

Anti-boycott regulations take effect in U.S.

BY DAVID BELL

THE U.S. Commerce Department to-day put into immediate effect the regulations governing the way U.S. companies comply with the anti-boycott legislation passed by Congress last year.

The final regulations were issued after months of consultations with supporters and opponents of the legislation.

Benjamin Rosenthal, a leading advocate in Congress of a tough anti-boycott law, praised the rules to-day, saying

that they went "far towards ending American participation in the Arab boycott." They could well serve as a model for other nations, he added.

However, it is almost certain that the new regulations will face a series of court challenges in the coming months as companies seek to clarify key provisions and try to obtain a more precise idea of the exceptions allowed by the Act.

Details, Page 12

Continued from Page 1

Retail price inflation

be near its low for the time

The slowdown also reflects the strength of sterling falling commodity and seasonal food prices, and the containment so far of the rise in labour costs.

The 12-month rate of increase in the all-items index has declined for six months running. The rate for the year to December was the lowest since January, 1974, and compares with a peak of 26.8 per cent. in the year to August, 1975.

The all-items index rose by 0.5 per cent. last month, after increases in the price of cars and some foods, notably bread and eggs, small rises in the price of many household goods and an increase in telephone charges after the phasing-out of the rebate scheme.

Several sizeable price rises will affect the mid-January index, notably the recent 15 per cent.

Continued from Page 1

'Green £' threat to pact

amounts on most other basic foodstuffs.

Since the EEC agriculture ministers have yet to agree on this year's round of farm price increases at the spring review, the eventual impact on the consumer could be even greater.

As it stands, the Government's proposal would add only 1 per cent. to the food price index and 0.25 per cent. to the general retail price index, the Ministry

of Agriculture claimed yesterday. The specific reference to the plight of pig farmers and beef fatteners suggests that the Minister of Agriculture, if his plan goes ahead, wants to phase in the devaluation over the year. He could delay the impact on cereal prices until August 1, possibly postpone a move on milk products until September and certainly hold up the sugar price rise until midsummer.

Weather

U.K. TO-DAY

CLOUDY, rain at times, bright intervals. Snow likely on Northern hills. S.W. likely on London, Kent, Southern, S.E. England, Midlands, Channel Is. Cloudy, rain at times. Max 6C (43F).

E. Anglia, E. England Bright and dry at first, becoming cloudy with rain later. Max 5C (41F).

S.W. England, Wales, N. Ireland Cloudy with rain, clearing. Max 6C to 8C (43F to 46F).

N.W., Cent. N. England, Lake District, Isle of Man, S.W., N.W. Scotland, Glasgow, Argyll, County, rain. Max 6C (43F).

N.E. England, Borders, Edinburgh, Aberdeen, Dundee, Cent. Highlands, Orkney, Shetland, Moray Firth, N.E. Scotland Bright and dry, rain later. Max 5C (41F).

Outlook: Bright intervals and wintry showers in most districts.

BUSINESS CENTRES

City	Temp	Wind	
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